

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

**LEGISLATIVE ASSEMBLY
FIFTY-SEVENTH PARLIAMENT
FIRST SESSION**

Thursday, 29 March 2012

(Extract from book 4)

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By authority of the Victorian Government Printer

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The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

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Standing Orders Committee — The Speaker, Ms Barker, Mr Brooks, Mrs Fyffe, Ms Green, Mr Hodgett, Mr McIntosh and Mrs Powell.

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Drugs and Crime Prevention Committee — (*Assembly*): Mr Battin and Mr McCurdy. (*Council*): Mr Leane, Mr Ramsay and Mr Scheffer.

Economic Development and Infrastructure Committee — (*Assembly*): Mr Burgess, Mr Foley, Mr Noonan and Mr Shaw. (*Council*): Mrs Peulich.

Education and Training Committee — (*Assembly*): Mr Crisp, Ms Miller and Mr Southwick. (*Council*): Mr Elasmarr and Ms Tierney.

Electoral Matters Committee — (*Assembly*): Ms Ryall and Mrs Victoria. (*Council*): Mr Finn, Mr Somyurek and Mr Tarlamis.

Environment and Natural Resources Committee — (*Assembly*): Mr Bull, Ms Duncan, Mr Pandazopoulos and Ms Wreford. (*Council*): Mr Koch.

Family and Community Development Committee — (*Assembly*): Mrs Bauer, Ms Halfpenny, Mr McGuire and Mr Wakeling. (*Council*): Mrs Coote and Ms Crozier.

House Committee — (*Assembly*): The Speaker (*ex officio*), Ms Beattie, Ms Campbell, Mrs Fyffe, Ms Graley, Mr Wakeling and Mr Weller. (*Council*): The President (*ex officio*), Mr Drum, Mr Eideh, Mr Finn, Ms Hartland, and Mr P. Davis.

Law Reform Committee — (*Assembly*): Mr Carbines, Ms Garrett, Mr Newton-Brown and Mr Northe. (*Council*): Mrs Petrovich.

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Public Accounts and Estimates Committee — (*Assembly*): Mr Angus, Ms Hennessey, Mr Morris and Mr Scott. (*Council*): Mr P. Davis, Mr O'Brien and Mr Pakula.

Road Safety Committee — (*Assembly*): Mr Languiller, Mr Perera, Mr Tilley and Mr Thompson. (*Council*): Mr Elsbury.

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

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

Parliamentary Services — Secretary: Mr P. Lochert

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FIFTY-SEVENTH PARLIAMENT — FIRST SESSION

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The Hon. D. M. ANDREWS

Deputy Leader of the Parliamentary Labor Party and Deputy Leader of the Opposition:

The Hon. J. A. MERLINO

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Campbell, Ms Christine Mary	Pascoe Vale	ALP	Noonan, Mr Wade Mathew	Williamstown	ALP
Carbines, Mr Anthony Richard	Ivanhoe	ALP	Northe, Mr Russell John	Morwell	Nats
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D'Ambrosio, Ms Liliana	Mill Park	ALP	Perera, Mr Jude	Cranbourne	ALP
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Hutchins, Ms Natalie Maree Sykes	Keilor	ALP	Wells, Mr Kimberley Arthur	Scoresby	LP
Kairouz, Ms Marlene	Kororoit	ALP	Wooldridge, Ms Mary Louise Newling	Doncaster	LP
Katos, Mr Andrew	South Barwon	LP	Wreford, Ms Lorraine Joan	Mordialloc	LP
Knight, Ms Sharon Patricia	Ballarat West	ALP	Wynne, Mr Richard William	Richmond	ALP
Kotsiras, Mr Nicholas	Bulleen	LP			
Languiller, Mr Telmo Ramon	Derrimut	ALP			

¹ Resigned 21 December 2010

² Elected 24 March 2012

³ Resigned 27 January 2012

⁴ Elected 19 February 2011

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Thursday, 29 March 2012

The SPEAKER (Hon. Ken Smith) took the chair at 9.33 a.m. and read the prayer.

DISTINGUISHED VISITORS

The SPEAKER — Order! Before we commence, I welcome to the gallery the Victorian electoral commissioner, Steve Tully, and his deputy. You are very welcome here, sir. On behalf of the Parliament, we thank you for your service to the Parliament of Victoria over many years.

NEW MEMBER

Member for Niddrie

The SPEAKER announced the election of Mr Benjamin Alan Carroll as member for the electoral district of Niddrie in place of Mr Rob Hulls, resigned, pursuant to writ issued on 23 February 2012.

Mr Carroll introduced and sworn.

BUSINESS OF THE HOUSE

Notices of motion: removal

The SPEAKER — Order! Notices of motion 11 to 20 will be removed from the notice paper unless members wishing their notice to remain advise the Clerk in writing before 2.00 p.m. today.

PETITIONS

Following petitions presented to house:

Westbreen Primary School: funding

To the Legislative Assembly of Victoria:

The petition of the community members of Westbreen Primary School draws to the attention of the house the need to rebuild Westbreen Primary School to allow for the students currently attending, future students and community members to learn and use a facility that is equipped for 21st century learning.

The petitioners therefore request that the Legislative Assembly of Victoria:

acknowledge the findings of a number of audits stating that Westbreen Primary School is in need of major infrastructure and/or capital works;

call on the government to honour the previous Minister for Education's involvement in the Building the Future program of which Westbreen Primary School was a part;

call on the government to immediately announce a commitment to the community members of Westbreen Primary School that Westbreen Primary School will receive funds to rebuild the school in the 2012 state budget.

By Ms CAMPBELL (Pascoe Vale) (50 signatures).

Epping Road, Epping: duplication

To the Legislative Assembly of Victoria:

This petition of certain citizens of the state of Victoria draws to the attention of the house the Baillieu government's refusal to fund the Epping Road project in the 2011 state budget.

In particular, we note:

1. Epping Road services some of the most rapidly growing areas in Australia;
2. the intersection of Epping, O'Hern's and Findon roads is recognised by the RACV as one of the worst in Victoria;
3. the project continues to receive strong community support.

The petitioners therefore request that the Legislative Assembly urge the Baillieu government to fund and commence work on the Epping Road project as a matter of urgency.

By Ms GREEN (Yan Yean) (143 signatures).

Greensborough College: funding

To the Legislative Assembly of Victoria:

This petition of certain citizens of the state of Victoria draws to the attention of the house the need for significant upgrades of facilities at Greensborough College.

In particular, we note:

1. the poor conditions of the current Greensborough College facilities, and in particular the state of disrepair of a number of buildings;
2. that these poor conditions and insufficient facilities are adversely affecting the education and learning experience of the students attending Greensborough College;
3. the previous Labor government pledged to rebuild Greensborough College during the 2010 election campaign.

The petitioners therefore request that the Legislative Assembly urge the Baillieu government to urgently fund the much-needed upgrade of Greensborough College.

By Ms GREEN (Yan Yean) (16 signatures).

Schools: Doreen

To the Legislative Assembly of Victoria:

This petition of certain citizens of the state of Victoria draws to the attention of the house the rapid increase in families moving to Doreen and Mernda, suburbs of northern metropolitan Melbourne.

In particular, we note:

1. there are now almost 1000 students enrolled at government primary schools in Mernda and Doreen, with that figure set to increase in the years to come;
2. there are no government secondary colleges in Mernda or Doreen;
3. land has been purchased by the previous Labor government for a secondary college to be built in Cookes Road, Doreen.

The petitioners therefore request that the Legislative Assembly urge the Baillieu government to urgently fund the building of a secondary college in Doreen.

By Ms GREEN (Yan Yean) (58 signatures).

Tabled.

Ordered that petition presented by honourable member for Pascoe Vale be considered next day on motion of Ms CAMPBELL (Pascoe Vale).

Ordered that petitions presented by honourable member for Yan Yean be considered next day on motion of Ms GREEN (Yan Yean).

ABORIGINAL AFFAIRS TASKFORCE

Indigenous affairs report 2010–11

Mrs POWELL (Minister for Aboriginal Affairs), by leave, presented report.

Tabled.

DOCUMENTS

Tabled by Clerk:

Interpretation of Legislation Act 1984 — Notice under s 32(3)(a)(iii) in relation to Statutory Rule 14 (*Gazette G12, 22 March 2012*).

BUSINESS OF THE HOUSE

Adjournment

Mr McINTOSH (Minister for Corrections) — I move:

That the house, at its rising, adjourns until Tuesday, 17 April 2012.

Motion agreed to.

MEMBERS STATEMENTS

Jack Dawson Green

Mr BAILLIEU (Premier) — In 2010 I drew Parliament’s attention to a commemoration of a young Victorian in a foreign land on the other side of the world. Warrant Officer Jack Dawson Green was shot down over Barendrecht, just south of Rotterdam, during 1945. I was privileged yesterday to meet Mr Hans Onderwater, the official archivist and historian of Barendrecht, his wife, Marjoan, and also Jack’s niece, Margaret Bardwell. They reminded me that the children of Rehoboth Elementary School have taken on the responsibility of tending Jack’s grave and the monument that the locals have constructed nearby. The children clean the grave and lay flowers on the day of his death and on special commemorations. Each day, seven days a week on rotation, one young Dutch student raises and later lowers the Australian flag over Jack’s grave and then passes the flag onto the classmate who next carries the responsibility. The land on which Jack lies has been declared Australian soil, and he has been posthumously made a citizen of Barendrecht.

Mr Onderwater presented me with a personal letter from the mayor of Gemeente Barendrecht, Jan van Belzen, thanking me for the recognition of the efforts of the students and reaffirming his community’s ‘continuing support and remembrance’ of Jack, who lies at rest ‘among his grateful friends in Barendrecht’. Approaching Anzac Day, we record with heartfelt thanks the wonderful efforts of the people of Barendrecht 67 years on to honour the sacrifice of this young airman from Camberwell who was killed in action fighting to preserve liberty and democracy. Let us not forget.

School buses: Christ the King Primary School, Newcomb

Ms NEVILLE (Bellarine) — Parents from Christ the King Primary School, Newcomb, who live in Leopold have been told by the education department

that the conveyance allowance they have been receiving will not be available from next term despite many receiving it over the last seven years. The allowance has enabled parents to access school bus arrangements so their young children can get to school. Now the department is asking them to put their children on the local bus.

This is of great concern given that the local bus timetable does not fit in with the school's supervised hours. The bus leaves Leopold at 7.54 a.m. and arrives at Bellarine Village at about 8.02 a.m. The children would then have to cross the very busy four-lane Bellarine Highway with no assistance and have a 5 to 10-minute walk to school. They would arrive just before 8.15 a.m., but the school does not open until 8.30 a.m., leaving these young children unsupervised for about 15 minutes. This is clearly unacceptable. The later bus, leaving Leopold at 8.50 a.m., would make the children late for the school's start time of 8.45 a.m. When children are late to school their parents have to sign them in. This bus timetable is obviously impractical and unsafe for these children. It seems clear that using public transport is not a practical or safe option for these young children.

Faced with these facts from concerned parents, the response from the department last week was to say that it will get back to the school in a few days. This has not happened. With the end of the school term tomorrow and no decision as to whether the conveyance allowance will be reinstated, these families will have a worrying time over the school holidays, uncertain as to what arrangements they will need to make for the new term.

Schools: principals networks

Mr DIXON (Minister for Education) — Over the past 12 months I have met with more than three-quarters of Victoria's 71 principal networks. These meetings have taken place throughout country Victoria and metropolitan Melbourne. Networks have taken these meetings very seriously and have often met specifically to discuss the agenda items that they would bring to the meetings. The meetings are for and by the principals. The agenda and the issues are theirs, and I am present to listen and answer questions if need be. The fact that these meetings are an opportunity for principals to raise their issues is reflected in this government's policy to hand over control of principal networks to the principals themselves from term 3 this year.

Principals have relished this formerly unknown opportunity to have a one-on-one meeting with a

minister and have taken the opportunity to talk honestly about a range of views. There have been recurring issues in all the meetings but sometimes a range of views on these issues. Sometimes network-specific issues have been raised, but the meetings have always been informative, professional and engaging. One recurring theme has been the gratitude of principals for the growing level of autonomy they feel and the professional trust placed in them by this government. I have also heard practical ideas on ways in which we can even further reduce the red tape burden on principals.

Principals want to be trusted to be educational leaders, and they applaud the initiatives already announced and implemented. They appreciate the fact that they are free to choose the days for professional development of their staff and that they can project manage their own building projects if they choose. The reduction in compliance requirements and the removal of network plans are also welcomed.

Ballan Autumn Festival: 37th anniversary

Mr HOWARD (Ballarat East) — Last Sunday saw the celebration of the 37th annual Ballan Autumn Festival, which was a great community event that featured a parade involving school students, sporting and other community groups as well as older community members who drove their prized vintage cars and farm machinery in the parade. The event also featured the annual quilt and craft show, wood chop competitions and over 70 stalls. I congratulate the organisers and the volunteer helpers who worked to ensure the success of the event.

Ballan Caledonian Caravan Park: future

Mr HOWARD — Participating in the Ballan Autumn Festival parade were two residents of Caledonian Caravan Park in Ballan, who rode their motorised scooters and were accompanied by other supporters who are working to save their homes in the caravan park. Recently they were served with eviction notices as the environment minister has accepted Department of Sustainability and Environment advice that the park, which is on Crown land, should be closed.

Despite a very positive plan being developed by local business community members which would see the park redeveloped to retain housing opportunities for the current residents, the minister has thus far refused to extend the time set down for eviction. However, I join with these very positive community members and call on the minister to lift the eviction orders, work with the

group and support its plan for sustainable housing opportunities on this site.

Harness racing: Boort

Mr WALSH (Minister for Agriculture and Food Security) — I would like to congratulate the Boort Harness Racing Club for conducting its fantastic event two Sundays ago. Two thousand patrons turned up at the reinstatement of the Boort Harness Racing Cup — a great outcome for a town of 800 people. It is seven years since racing was conducted at Boort, so I also congratulate the Minister for Racing on reinstating harness racing in a number of our country towns. This is a great outcome. Harness racing was taken away by the previous Labor government, which had no idea how to manage country Victoria.

The reinstated track cost \$174 000 to upgrade. The volunteers did a fantastic job on the day, and I would particularly like to acknowledge John Campbell, the president of the harness racing club, who was awarded life membership at the cup meeting. John has worked tirelessly for the reinstatement of harness racing in country towns. I look forward to going to the cups at Wedderburn and St Arnaud in the future.

I also thank the member for Albert Park for the opportunity to present the Foley trophy. Many people at Boort asked the question, ‘How could someone who has come from such impeccable breeding lines in Boort sit on that side of the house now and be working so hard against country Victoria?’, but I acknowledge the Foley cup, which I presented. Well done to Boort Harness Racing Club, well done to John Campbell and we look forward to having cup meetings in Boort into the future.

Copperfield College: bullying seminar

Ms HUTCHINS (Keilor) — I rise to talk about the National Day of Action Against Bullying and Violence and the fantastic forum that was held at Copperfield College in Sydenham on 16 March. Students from years 7, 8 and 9 were invited to a full-day seminar on the issues of bullying and cyberbullying. I would like to congratulate the Australian Communications and Media Authority, college principal Sue Minkevicius and school counsellor Kelly Jasper for putting on an amazing day. Students were taught the definition of bullying and had an opportunity to interact with a counsellor from Kids Helpline. They watched a fantastic movie, *Tagged*, which was produced by the federal government. The year 9 students took me by surprise when a number of them talked about their

experience of bullying over the years, not just at school but also in sporting clubs.

I received a positive response from all students and believe the movie had a great impact on them. I ask that the government reconsider its spending priorities for the \$14 million in funding that was announced last week to tackle cyberbullying. There is no need to produce another movie; however, there is a desperate need for programs to be put in place for parents and students to attend together to learn how to make themselves safe.

Keilor electorate: storm damage

Ms HUTCHINS — Ongoing storm damage is still occurring in homes in Keilor. Only a week ago Keilor resident Peter Curwood and his family were forced from their home after ceilings collapsed due to the heavy rains — —

The SPEAKER — Order! The member’s time has expired.

Multicultural affairs: information seminars

Mr KOTSIRAS (Minister for Multicultural Affairs and Citizenship) — Last week in Bendigo I launched the first of 40 seminars to be held across Victoria on the rights and responsibilities of newly arrived migrants and refugees. The government believes the provision of relevant, centrally coordinated information for newly arrived migrants and refugees is a vital first stage in their successful settlement. That is why we have allocated \$800 000 over the next three years to provide free seminars on our laws, legal systems, institutions, volunteerism, safe driving, employment, family and financial management — to name just a few of the topics that will be covered.

The program has been tailored to each community’s needs, and over 180 sessions will be rolled out across metropolitan and regional areas in the next two years.

Cultural Diversity Week

Mr KOTSIRAS — On another matter, I congratulate the Victorian Multicultural Commission on a job well done last week, which was Cultural Diversity Week. Chin Tan and all the commissioners did a wonderful job in bringing people together to showcase cultural diversity. Last week we saw Victorians coming together to experience the colour and excitement that is multicultural Victoria.

Templestowe Heights Primary School: funding

Mr KOTSIRAS — On another matter, due to the failure of the former government in regard to the Building the Education Revolution, Templestowe Heights Primary School was going to have to lock up three classrooms. The former government did not provide enough money for the school to complete its project — —

The SPEAKER — Order! The minister's time has expired.

Planning: Essendon station precinct

Mr MADDEN (Essendon) — Today I want to raise a matter about a new working group that the City of Moonee Valley has established. It is known as the Essendon Station Structure Plan External Working Group, and it has the ability to consult the community about the precinct structure plan overlay that needs to be developed for the Essendon station precinct. That precinct takes in Rowe Street and a number of streets in and around the Essendon station. While there will be a number of community and council representatives on that working group, there is also a requirement for a number of representatives from state government departments. I know the Department of Planning and Community Development will be represented, which is critical, but I also hope there will be representatives from the Department of Transport. It is critical that these representatives are not just low-level or middle-ranking bureaucrats but are very senior so they can make strategic decisions and provide strategic advice.

Much of the land around the precinct is owned by VicTrack. Given that the government has talked about privatisation, my concern is that this land will be sold off without any constraints or overlays to restrict the developments that may take place there. The community is not necessarily averse to development, but believes it is critical that VicTrack and the Department of Transport have senior representatives on this working group to make sure it fulfils the expectations of the Essendon community.

National Close the Gap Day

Mrs POWELL (Minister for Aboriginal Affairs) — Thursday, 22 March, was National Close the Gap Day. It is a year since the Premier, Deputy Premier and I, as Minister for Aboriginal Affairs, along with the Leader of the Opposition and the shadow Minister for Aboriginal Affairs, and Closing the Gap, signed the Closing the Gap Statement of Intent. Events to

highlight the importance of reducing the gap of disadvantage between Aboriginal and non-Aboriginal people were held around Australia. I attended a Closing the Gap barbecue at the La Trobe University campus in Shepparton and listened to Aboriginal and non-Aboriginal students reiterate the importance of a good education as a pathway to meaningful employment.

Bunjil Creations

Mrs POWELL — While on the issue of employment opportunities for Aboriginal people, I had the honour on 21 March of launching Bunjil Creations, a jewellery line produced by Wurundjeri women, at the National Rhododendron Garden. I commend the Minister for Environment and Climate Change and Parks Victoria for partnering with the Wurundjeri people to establish this wonderful business and employment opportunity. I particularly recognise Andrew Minack, David Adeson and Meg Goulding, and Wurundjeri elders Aunty Di Kerr, Aunty Vicky Nicholson-Brown and Aunty Winnie Bridges for their warm welcome to country.

Aboriginals: women's round table

Mrs POWELL — Later on 21 March I hosted the indigenous women's round table luncheon, a forum I established last year. I invited Aboriginal women from many different backgrounds and with a range of expertise to meet with me to discuss issues of importance to them, such as how to protect Aboriginal children and issues around Aboriginal health, education, family violence and employment opportunities. I thank the women for their contributions, as well as Jenny Samms, executive director of the Aboriginal Affairs Taskforce, and Karyn Ross for organising this wonderful lunch.

Derrimut electorate: jobs

Mr LANGUILLER (Derrimut) — Families in Derrimut have been hit by a massive 19 per cent increase in unemployment. The opposition has conducted an analysis of unemployment data from the federal Department of Education, Employment and Workplace Relations which shows this staggering increase between December 2010 and December 2011. Derrimut's unemployment rate is 11.1 per cent, more than double the state average of 5.4 per cent. The increase in unemployment in Derrimut was the seventh highest in the state.

This alarming trend across Victoria is a damning indictment of the Baillieu government's failure to

produce a jobs plan for our state. More than 1000 jobs have been lost in Victoria each week since the middle of last year, and major employers continue to warn of looming job losses, particularly in the manufacturing sector. Almost 4000 manufacturing workers live in St Albans alone. What does the government say to these workers? The impact of the government's failure to invest in infrastructure and create a jobs plan has already hurt local businesses. We have not had the headline closures like Alcoa and Heinz, but employment in the western suburbs is dying a death of a thousand cuts as Derrimut companies and businesses are forced to downsize and make cuts to their staffing numbers.

In Parliament last year the Treasurer said that under his government between 50 000 and 55 000 jobs would be created every year.

Kilsyth electorate: senior citizens community groups

Mr HODGETT (Kilsyth) — It is with great enthusiasm that I commend the Baillieu government on its fantastic support for community groups which promote and cater for senior citizens living active lifestyles. Three community groups in my electorate recently received grants in the senior citizens organisational support grants scheme. The Croydon Dutch Social Club, the Croydon Italian Senior Citizens Club and the Bea Cantare Choir are all worthy recipients of funding under this scheme. These organisations are valuable to the local community, and the funding will help them continue their contribution to our diverse, vibrant and cohesive society.

Mooroolbark Junior Football Club: clubrooms

Mr HODGETT — I would also like to congratulate the Mooroolbark Junior Football Club on its brand-new clubrooms at Kiloran Park. I will be visiting the new rooms on Sunday for the official opening. This is another credit to the Baillieu government and its commitment to delivering worthwhile local projects. I have had a long association with the Mooroolbark Junior Football Club, and I am delighted that such a family-friendly and professionally run club will now be able to operate out of this fantastic new facility.

Cabinet: Shire of Yarra Ranges meeting

Mr HODGETT — Finally, I would like to commend the Baillieu government and the local community for the regional cabinet meeting that was held in the outer east on Monday. The community lunch and public forum gave local residents and

community groups the opportunity to raise local issues with cabinet ministers in the Baillieu government. Furthermore, it gave members of cabinet the opportunity to gather feedback and input from members of my local community. The day was extremely positive and was a great opportunity for the spotlight to be shone on my area in the outer east.

Yallambie Park Preschool: facilities

Mr BROOKS (Bundoora) — I commend the efforts of all those involved in the recently completed works at Yallambie Park Preschool which have seen a previously disused maternal and child health centre converted into usable space for the kindergarten. These works will complement the nurturing philosophy of the centre, which is run by a volunteer committee of management and a respected director, Carol Doran. This project will have lasting benefits for all of the families whose children attend the preschool. In particular I wish to commend Vanessa Edwards, the president of the kindergarten committee, who as grants officer applied for the grant of \$100 000 that was provided by the former Labor government, which invested heavily in capital works for children's centres across the state.

Banyule City Council assisted with some important funding, and Roslyn Marshall and Phil Eames from the council were instrumental in the planning, preparation and implementation of the project. The kindergarten president at the time, Greg Thomas, was integral to the smooth running of the project and utilised many contacts in the community to keep the costs down. One of the parents at the kindergarten, Gerard Casamento, completed the building works. I understand he took great care with the work and kept costs to a bare minimum. I am told that the kids at the kindergarten were enthralled to watch the daily building activity.

In particular I wish to acknowledge the fundraising committee, which broke all records to ensure that the project could be finished and equipped appropriately. All those involved have left a great legacy for the families whose children will attend Yallambie Park Preschool in the future. Well done to all.

Greek Independence Day

Mr NEWTON-BROWN (Pahran) — I spent another brilliant day with my friends in the Greek community on Greek national day last week. Led by Father Demitri we raised the flags and then retired to a feast prepared by Jim Pothitos from the Greek Deli and Taverna.

Maria Narduzzo

Mr NEWTON-BROWN — I was honoured to be invited by the Narduzzo family to represent the Victorian government, along with a member for Southern Metropolitan Region in the other place, Georgie Crozier, at the unveiling of the plaque for Maria Narduzzo at Prahran Market. Hundreds of people, urged on by a 30-piece band, celebrated the legendary life of Maria, who was a much-loved stalwart of the Prahran Market.

Chris Gahan Reserve: off-leash trial

Mr NEWTON-BROWN — I offer my support to the local campaign for a Stonnington City Council trial of off-leash hours for dogs at Chris Gahan Reserve in Prahran. In inner city areas it is important that dog owners have a park nearby where their dogs can have a good run every day. While the dogs run, the owners get to know their neighbours and build their community. I urge council to reconsider a trial to share Chris Gahan Reserve with the local canines.

Rail: timetable

Mr NEWTON-BROWN — I was pleased to meet with a member for Eastern Victoria Region in the other place, Ed O'Donohue, recently to present to him a report prepared following a survey of local train users at Hawksburn and Toorak stations. This report highlights concerns regarding the frequency of express trains passing through these stations without stopping. It is my hope that Metro Trains Melbourne will take into account this comprehensive study of user views when it next reworks its train timetabling.

James 'Jim' Stynes, OAM

Mr NEWTON-BROWN — It was wonderful to attend the state funeral for Jim Stynes this week and see firsthand the impact he so clearly had on so many Melburnians. Federation Square was filled with people who had been touched by Jim. His influence transcended his illustrious football career, and he was able to reach out and touch many people in his too short life.

Victorian Indigenous Honour Roll: inductees

Ms RICHARDSON (Northcote) — I am proud to say that over 30 per cent of the people named on the inaugural Victorian Indigenous Honour Roll have a strong connection to the Darebin area and my local electorate. Included on the list are health services pioneer Alma Thorpe from Reservoir and Joan Vickery from Bundoora; Aboriginal rights movement

leaders Sir Douglas Nicholls and Geraldine Briggs from Northcote; Preston's Joan Robinson, who helped establish the Aboriginal Catholic Ministry Victoria; and musician Archie Roach.

Also included on the list is a man I have had many dealings with in my role as the member for Northcote and someone I greatly respect professionally and personally. He is also an incredibly humble man, having told me recently he was knocked over to have been included on a list of so many elders and champions of the cause of indigenous Australians. I am referring of course to Alf Bamblett, the current president of the Aborigines Advancement League. Alf's achievements are far too numerous to cover in the brief time I am allowed, but I want to point to his background and a few of his achievements which stand out for me.

Alf has been a boxer, a labourer, a fruit picker and a factory worker, but it was touring the country as a training officer for the former Commonwealth Employment Service and witnessing the grinding poverty and discrimination that indigenous people were subjected to that galvanised Alf's resolve to become one of the Aboriginal people's greatest advocates. Throughout his life Alf has formed, contributed to and run numerous groups whose objectives were to stand up for indigenous people, combat racism and improve their lot in life. As the Victorian commissioner for the Aboriginal and Torres Strait Islander Commission, Alf became the first Aboriginal man to present to federal cabinet, arguing for funding to implement the recommendations from the Aboriginal Deaths in Custody report.

As I mentioned, Alf's advocacy continues to this day. He still regularly knocks on doors, never tiring of the fight to achieve fairness and opportunity for indigenous people. For all of his accomplishments over the years, when you meet Alf it is clear that this man is greater than the sum of his achievements. He is truly one of the wisest, strongest and kindest people I have the pleasure of knowing.

The ACTING SPEAKER

(**Mr Pandazopoulos**) — Order! The member's time has expired.

Police: Moe D24 unit

Mr BLACKWOOD (Narracan) — On Sunday, 18 March at 10.30 a.m. the Moe D24 unit was officially decommissioned and its functions officially transferred to the Emergency Services Telecommunications Authority (ESTA) in Ballarat. The D24 police

communications centre had been based at Moe for the past 30 years, and with the previous Labor government's failure to address the critical shortage in police numbers in Gippsland during its 11 long, dark years in office the D24 unit had often been a significant drain on front-line policing activities in the Gippsland region.

Eastern region assistant commissioner Wendy Steendam attended the ceremony along with a number of former and current employees and serving members. Among them were Senior Sergeant Cameron Blair, Inspector Mick West and Inspector Chris Major, who had for many years been canvassing for the relocation of the D24 unit as a way of relieving the pressure on front-line policing resources and the difficulties they were facing on a daily basis trying to fill vacancies.

I am very proud to say that it has taken the support of the Baillieu government to enable the relocation of the Moe D24 unit to ESTA. This has not only allowed the redeployment of experienced police resources back to front-line duties but also enabled the delivery of a family violence unit in the Latrobe Valley. This initiative will further strengthen the ability of government agencies to address the serious problems facing families and, in particular, children at risk due to family violence.

I commend all the sworn and unsworn members of the Moe D24 unit who have served the Latrobe Valley with great dedication and commitment over the last 30 years.

Roads: Yan Yean electorate

Ms GREEN (Yan Yean) — Once again we see the long arms of Tedward Scissorhands lording it over communities across Melbourne's north. Not content with simply cutting budgets, Scissorhands will be sending his emissary, the Minister for Roads and member for Polwarth, to cut ribbons on yet another Labor-funded project as he completes the sod-turning on upgrades to the M80, the Metropolitan Ring Road, tomorrow with Labor's Rob Mitchell, the federal member for McEwen, representing the federal government.

This project was wholly funded and allocated by Labor governments at the state level and federally. I really hope the Minister for Roads and Craig Ondarchie, a member for Northern Metropolitan Region in another place, enjoy visiting Melbourne's north again, because once Labor's pipeline of projects ends they will be redundant as they have not funded a cent for any road projects in northern Melbourne.

It is shameful that a paltry \$4.8 million was provided for outer suburban arterial roads across Melbourne in last year's budget, and there was not one dollar for Melbourne's north. Rather than cutting ribbons on Labor's projects and slashing departmental budgets, the government should be providing the infrastructure that keeps our outer suburban areas moving and keeps people in work. There are enormous needs for roads, and we recognise that. The duplication of Plenty Road is almost complete. We allocated \$9 million for the triplication of Cooper Street, which was put on hold in last year's budget, and Yan Yean Road, Epping Road, Findon Road and Bridge Inn Road all need attention. Get on with it, Minister.

Carbon tax: Gippsland

Mr NORTHE (Morwell) — Earlier this week the federal opposition leader, Tony Abbott, addressed an audience of approximately 300 people in Gippsland who in part expressed their concerns about the implications a carbon tax will have upon our region. Hosted by the federal member for Gippsland, Darren Chester, the forum provided an opportunity for our local community to raise matters of importance, and feedback suggests that the carbon tax was high on the agenda.

It is interesting to note that the state Labor opposition on the one hand decries our government's perceived lack of a jobs plan but on the other is silent on the Gillard federal government's carbon tax, which poses an enormous threat to business and jobs, particularly in the Latrobe Valley and the wider Gippsland region. Despite all of this, our government is getting on with the job of supporting the Gippsland region. Upon forming government, the Victorian coalition committed \$5 million through the Latrobe Valley Industry and Employment Roadmap in response to the longer term carbon tax adjustment process, in addition to the existing \$25 million Latrobe Valley Advantage Fund.

The advantage fund invests in three key areas: jobs and infrastructure development, skills and training, and sustainable energy and research. As an example of this investment, our government has already allocated \$1.5 million to assist with infrastructure upgrades at Latrobe Regional Airport that will support the creation of an estimated 120 jobs, and more announcements are expected soon. Despite all the challenges of a carbon tax and the doomsayers on the other side, our government is getting on with the job of supporting businesses and creating jobs in regional Victoria, in this instance in the Latrobe Valley and the wider Gippsland region.

Sunbury Festival

Ms DUNCAN (Macedon) — On Saturday, 17 March, I was again a stallholder at SunFest. Now in its 36th year, SunFest continues to grow, and I was pleased to judge the grand street parade, which showcases local businesses and community groups, including the SES (State Emergency Service) and the CFA (Country Fire Authority). There was loads of local talent on display. Sunbury Idol and Sunbury Has Talent were there, as well as a number of local bands, including what might be Darraweit Guim's greatest and most famous export — that is, the all-girl, all-sisters band Stonefield, consisting of Holly, Hannah, Sarah and Amy Findlay. It is a sensational group which has had considerable success for such a young band, having already won the 2010 Triple J Unearthed High contest and also played at Glastonbury festival in the UK. I am sure we will hear a lot more of Stonefield in the coming years.

The two-day event included for the second time the SunFest Walk or Run for Fun, held on the Sunday morning to raise money for a range of charities, including multiple sclerosis, cystic fibrosis and the Leukaemia Foundation. This is a great community event, well supported by local business, community groups and residents of Sunbury, including the local scouts and the Rotary and Kiwanis clubs, to name just a few. Of course behind any such event there lies a dedicated volunteer organising committee, and I pay tribute to all of them, so many of whom work behind the scenes. It is always difficult to name them all — they know who they are — but I would acknowledge Tash Di Vito, president and stallholder coordinator, and people like Maureen Kear, Andrew Mason, the SES and CFA volunteers and the many local traders.

Schools: Benambra electorate

Mr TILLEY (Benambra) — On Thursday, 22 March, I had the pleasure of accompanying the Minister for Education to a number of schools in the Benambra electorate. The minister officially opened the Building the Education Revolution and state capital works projects at Walwa Primary School. Thanks to \$500 000 from the Victorian government, \$250 000 from the commonwealth and \$87 000 from their school community, Walwa students now have new open learning spaces, an administration area, library, kitchen, a new septic system and a covered outdoor learning area. These new facilities will make a huge difference to the students and staff at this fantastic school.

The minister also officially opened similar projects at Bethanga Primary School, which has undergone

\$848 000 worth of works, with \$483 000 coming from the Victorian government and \$365 000 from the commonwealth. The school now has a refurbished multipurpose room, which includes a library and art space, a brand new relocatable classroom, an administration area and new decking between the classrooms.

We also had the opportunity to visit a number of other schools in the Benambra electorate, including Corryong College, Wodonga West Primary School and Wodonga South Primary School. I would particularly like to thank the school communities, including the quiet achievers among them. The principals, staff, students and their parents showed us wonderful hospitality during this visit, and I congratulate them on their enthusiasm and drive to make their schools the best places they can be.

Wendouree: neighbourhood day

Ms KNIGHT (Ballarat West) — I had the great pleasure of attending the neighbourhood day at the Wendouree West community hub last Sunday. This great occasion was attended by many in the community. The organisers are to be congratulated on their efforts, including Beryl Gladman and the Neighbourhood Watch committee, all the stallholders and entertainers and of course the community volunteers. A big shout out to Senior Constable Janine Walker on her wonderful MC skills. Well done to Rebecca, Michael and Liam on receiving their certificate for being good neighbours. A big thank you and congratulations to Bernie Smith, who won the good neighbour award. Bernie has really contributed to the wellbeing of his neighbourhood through shopping, mowing lawns and caring for his neighbours and neighbourhood. He truly is the epitome of a good neighbour.

I was also thrilled to watch the local kids do their breakdancing under the fantastic tutelage of Jamie Blomely from Existdance. Jamie informed me that Ballarat and Bendigo breakdancers won the Push Over Festival competition this year, beating many Melbourne breakdancers. Another one for the regions! I watched the YouTube clip, and it is amazing. I encourage everyone to check it out when they have the time. Ballarat's own Sam Griffin did his community proud. Make no mistake: this is seriously energetic and skilled dancing. I would definitely put it in the same category as some elite sports when it comes to commitment, training, skill, and physical and mental fitness. Sam trains up to five days a week and made the semifinals of *So You Think You Can Dance*. What a legend! He

obviously has a great teacher in Jamie. All in all it was a great community day from a great community.

Daniel Grulke

Mr BATTIN (Gembrook) — I rise to congratulate Daniel Grulke of St Francis Xavier College in Beaconsfield, who recently risked his own life to save the life of a young girl who was standing in front of a train just yesterday down in Beaconsfield. His bravery in getting out there and protecting — —

The ACTING SPEAKER

(**Mr Pandazopoulos**) — Order! The time for members statements has concluded.

ACCIDENT COMPENSATION AMENDMENT (REPAYMENTS AND DIVIDENDS) BILL 2012

Second reading

Debate resumed from 14 March; motion of Mr WELLS (Treasurer).

Mr SCOTT (Preston) — I rise to speak on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. From the outset I would like to make it clear that the opposition will be opposing this bill. The guts of this bill is contained in clause 4, which will insert new sections 33A and 33B into the Accident Compensation Act 1985. Subsections (1) and (2) of new section 33A provide for what is described as the repayment of capital. They state:

- (1) The capital of the Authority is repayable to the State at the times and in the amounts determined by the Treasurer after consultation with the Authority and the Minister.
- (2) In making a determination under this section, the Treasurer must have regard to any advice that the Authority has given to the Treasurer in relation to the Authority's affairs.

After seeking advice about the meaning of this clause in the briefing I received — and I put on the record my gratitude to the departmental and ministerial staff who provided the briefing — it was clear that in relation to this clause and the repayment of capital, firstly, the matter had not been canvassed in discussing the bill widely, and secondly, that it was not really binding on the Treasurer. The amounts of capital are beyond the accounting standards that apply for what is defined as capital within the fund, so there is no particular amount and there is no particular binding requirement beyond a

requirement for consultation in terms of what capital is taken.

The second and more widely canvassed aspect of the bill is the capacity to take dividends. That is provided for in new section 33B, 'Dividends'. It states:

- (1) The Authority must pay to the State a dividend at the time and in the manner determined by the Treasurer after consultation with the Authority and the Minister.
- (2) In determining the dividend policy that applies to the Authority, the Treasurer must have regard to the solvency margin determined to maintain the long term financial viability of the accident compensation scheme."

It is important to note that the requirements of the Treasurer are simply consultative. There is nothing binding. There is no particular figure, and there is no particular requirement on the minister to accede to the request of the authority and the relevant minister, in this case the Treasurer, nor to accede to any consultations. The solvency margin described in the act is actually undefined. This was a matter which arose in the briefing and which I had confirmed subsequently — that is, that the solvency margin is not a matter defined in legislation. Therefore the minister is in large part unfettered in what they do.

In dealing with this it should be noted that the way in which this is conceptualised, the repayment to capital would be irregular whereas dividends would be a yearly process. We have a process whereby dividends have been established and we do not know what sort of capital payments would be made. The estimation of the dividends made in the budget update released in December, which was an unwelcome Christmas present to the people of Victoria, was \$147 million in 2011–12, \$126.5 million in 2012–13, \$87.5 million in 2013–14 and \$110.5 million in 2014–15. As I said, except for the first year's dividends, these are estimates. The basis of the dividend — and again this is not set in stone but is at the whim of the Treasurer — is half the performance from insurance operations. As people would know, this is a measure of the performance of the WorkCover scheme when you take out money market movements and movements related to the performance of investments.

As I have stated clearly, we are opposed to this move, and it is important to understand why. This decision will have an impact on business in particular. I note that in his second-reading speech the Treasurer stated that the payment of dividends will not actually impact on premiums. Many things are said in the Parliament, but it is nonsense to say essentially that the position of the government is that you can take half a billion

dollars-odd out of an insurance operation and have no impact on that organisation. If you look at this issue, you see there is clearly an opportunity cost; there is clearly an impact on the organisation. The government has made it clear that it is maintaining the benefits as they are currently. This means that the cycle that has happened over a long period where the benefits of the good performance of WorkCover have been used to fund premium reductions will be sadly impacted by this decision. In effect this is a proxy payroll tax, because it means that premiums will be higher than they otherwise would be. About half a billion dollars has been taken out of the pockets of businesses by this move.

Honourable members interjecting.

Mr SCOTT — When you raise revenue someone always pays. That is the truth of it. I notice I have got a reaction from the members opposite.

The ACTING SPEAKER

(Mr Pandazopoulos) — Order! The member for Preston!

Mr SCOTT — I know it is unparliamentary, but someone always pays. As an unwelcome present before last Christmas the Treasurer took nearly half a billion dollars out of the pockets of businesses. This will have an impact; because it is a cost on employment — which is what WorkCover is — this will destroy jobs. There will be less employment in Victoria because of this decision. Every government has to raise revenue, but the choices you make about how you raise that revenue have different impacts on society.

One of the reasons we are opposed to this bill is that its effect will fall on jobs. This will be a job-destroying measure. If we can do a quick calculation — and I know it hurts — the premiums are worth approximately \$2 billion a year and by taking out about \$120 million you are taking out of the order of 6 per cent of premiums. That is the sort of premium reduction that has been forgone by this policy.

A really important aspect is upon whom this burden falls, because self-insurers are immune to this; they do not pay WorkCover premiums to the Victorian WorkCover Authority — the self-insurer. The big end of town — 37 of the biggest employers in the state — will not be paying this proxy payroll tax. The burden of this falls on small and medium size businesses. Self-insurers are entities like the ANZ bank, BHP Billiton and the BP Group.

Mr Shaw interjected.

Mr SCOTT — In fact they do not; they self-insure. I know the member wears his ignorance as a badge of honour, but they are self-insurers, and by their nature they will not be paying this particular impost — for example, Crown Ltd, ExxonMobil, Philip Morris, Qantas, Shell and others. I will not list the whole 37; that information is publicly available. This burden will fall upon small and medium enterprises and will not be paid by the big end of town, the larger companies. Some \$500 million will be taken out of business in Victoria to plug a gap in the budget for the lazy actions of the Treasurer over the years, and this is going to fall upon small and medium size businesses. This is happening at a time, as we are all well aware, when Victoria is facing a jobs crisis, as has been identified by the *Herald Sun*.

There have been recent reports of, I think, 12 600 fewer jobs in a month across the state. We have had the announcements of job losses at the Mars factory in Ballarat, Alcoa in Geelong, the Heinz factory, Pasta Master in Bendigo and many more. This is not the time to have an increase in the cost of employment for small and medium size businesses; it is exactly the wrong time to do it. As I said, all governments must raise revenue, but this is the wrong time to come like a thief in the night and attack small and medium size businesses. We have to understand that the impact will also fall on industries that have a higher accident rate — blue-collar industries such as manufacturing, construction and agriculture. Many of those industries are under pressure currently, and many are seeing high job losses. They are exactly upon whom this burden will fall.

By way of contrast, under the previous government the Victorian WorkCover Authority was one of that government's real success stories. We had a series of premium reductions over time. Workplaces were safer. It is important to note that a virtuous circle developed in our state, where premiums were reduced but on the back of reduced claims. The number of accidents was going down. We had a process whereby unions, business, government and the authority worked together to improve safety. I hope all members of this house — and I am sure they do — want every worker to return safely from their day at work, free from accident. We all regard every injury and every death as something we should do everything in our power to avoid.

If we look at the history of accident rates and claim frequencies, we see there was a decline under the former Labor government. The figures I will quote are from a Public Accounts and Estimates Committee presentation when the Labor Party was in government.

In 2004–05 there were 12.4 claims per 1000 workers; in 2005–06, 12.1; in 2006–07, 11.3; in 2007–08, 11.1; and in 2008–09, 10.8. The figure in the presentation for 2009–10 is for a six-month period, but it was 10.3. These figures show a reduction in the number of claims over a significant period of time that had underpinned a virtuous circle where those claims were reinvested in lower premiums.

I have some figures for those lower premiums. In 2003–04 average premiums were at 2.22 per cent; in 2004–05 they were reduced to 1.998 per cent; in 2005–06 they were reduced to 1.8 per cent; in 2006–07 they were reduced to 1.62 per cent; in 2007–08 they were reduced to 1.46 per cent; and in 2010–11 they were reduced to 1.338 per cent, where they sit today. That has been a significant benefit to the Victorian community on the back of the fantastic work done in managing the scheme effectively, ensuring that people were safer when they went to work and that more of them returned free of injury. I will not even touch upon workplace deaths. Those benefits were used to create a comparative advantage for the Victorian economy whereby premiums were lowered. Not only were premiums lowered but there were increasing benefits. Benefits were increased.

People would remember the Hanks review. In light of that review, a legislative package was put through which implemented a \$90 million package to boost support for Victoria's injured workers. Key elements of the package included: \$20 million a year for superannuation contributions for eligible workers; \$20 million a year for increased weekly payments to benefits for injured workers; a 10 per cent increase in no-fault lump sum benefits for workers with spinal impairments; almost a doubling of lump sum death benefits and improving access to pensions for dependants of the deceased; less red tape for employers and more support and advice on the calculation of premiums. That is not an exhaustive list.

What we had was a virtuous circle. Due to the good management of the authority with support from government there was able to be a reduction in premiums based on the reduction in the number of accidents and increased benefits to workers. Instead we now have a government which will increase the cost of employment for small and medium size businesses, and that will have an adverse effect.

I take this opportunity to thank some of those involved for their contributions to the increased benefits to the broader community due to their good management. Elana Rubin, the chair, and Greg Tweedley, the chief executive, are leaving the WorkCover authority, and

this is an appropriate time to acknowledge the good work they have done under both sides of politics for the people of Victoria in managing the WorkCover scheme. They have been significant public servants who have served our community well, and it is an appropriate time to honour their contributions.

In contrast to the good work that was done previously, we now have a smash-and-grab of \$471.5 million to prop up the budget due to this government's laziness, which will hurt business and employment and lead to less jobs. It is a secret, backdoor payroll tax hike for small and medium size businesses. We need to ensure that this is subject to scrutiny, and opposition members are very clear that we do not support it. We will be in direct opposition.

It is not just members of the opposition who have noted this. Other people in the community have worked out what this is about. I note in particular the comments made by the Victorian WorkCover Authority's former chair, James MacKenzie. Mr MacKenzie was appointed by former Treasurer Alan Stockdale to the Transport Accident Commission, and he has been a good servant of the people of Victoria and has a proud record of public service. As has been noted, he managed very well both the TAC and WorkCover. He clearly identified that this is a grab that would affect employers and business.

Others in the community have noted this as well, particularly members of the legal fraternity. I note the comments that have been made by John Cain III, who has criticised this. It is no secret that he is the son and grandson of former Premiers, but he is a respected member of the legal fraternity. This is at a time when a secret inquiry is being undertaken, the terms of reference of which will not be released, so the very future of WorkCover and the TAC is in doubt.

We are unclear as to what will be done. There have been questions in this house for which there has been no willingness to answer. There has been no willingness to release the terms of reference. The bill comes before us at a time when there is a review being undertaken. I notice that Michael Holcroft from the Law Institute of Victoria criticised the refusal to release any detail of that review. I think it would be a stretch for anyone to regard the president of the law institute as anyone's puppet. He is reported to have said:

My fear is that the review is more about how much money can be taken out of the organisations and put into general revenue rather than how well the organisations are working.

What could sum up this bill more effectively than that comment? It is exactly what this bill is about. It is not

about the better operation of WorkCover, which has been one of the fundamental institutions of our community; it has served us well and reduced accidents at work. This is about dollars and cents and ripping as much out as possible. That is what I fear the review is about as well. You have also had others, including Tim Piper — —

Ms Richardson — That well-known Labor identity!

Mr SCOTT — Yes, Labor identity Tim Piper criticised the failure to release the review and pointed out that the changes in terms of the creation of a dividend policy create an obvious conflict. He was quoted as having said:

They will have to decide whether to lower premiums or give themselves money ...

This is an obvious conflict. Having spoken to the business community, I know it was not consulted about the introduction of this policy. Certainly I know unions and plaintiff lawyers were not, but that is almost to be expected. But the business community was not taken into the confidence of the government with this particular policy, and it is concerned about the implications of this bill. Mr Piper has raised on the record his concerns about the conflict of interest that this particular bill creates.

We have had the spectacle of the government refusing to answer questions about the review and refusing to release it. This is a cheap grab for money without concern for the welfare of WorkCover or organisations at a time when unemployment is rising and there are job losses. It is exactly the wrong time to increase the cost of employment through this proxy payroll tax, especially when there is a review into the Victorian WorkCover Authority for which we do not know the terms of reference. The government has been unwilling to discuss this matter in any meaningful way with the community or to engage stakeholders.

We have no confidence at all that the government has the interests of the authority at heart. We are concerned that any review will simply be about replicating the sort of attitude that exists in this bill — a quick snatch and grab for some money to prop up the budget without clear regard for the consequences. There are always consequences, despite the pretence that taking nearly half a billion dollars out of an insurance organisation does not have consequences for the beneficiaries of those who pay into it. I note that the government has promised not to touch entitlements. Therefore it is as sure as night follows day that there will be a consequential impact on those who pay into the system through premiums, which is business, and often small

to medium size businesses, because as I have said, those at the big end of town are often self-insurers. Thirty-seven of the largest companies operating in Victoria self-insure; they do not pay into the WorkCover scheme and they will not be paying this tax. The burden of this will fall upon medium and small businesses which provide much of the job creation in Victoria.

It is exactly the wrong time to raise revenue this way. Governments need to raise revenue, but we have to consider what form that revenue raising takes and whether it is appropriate for the times and the organisation. I have fears that WorkCover will simply be used in the future as a cash cow and that the government will not be looking to increase benefits or lower premiums, as has been done previously, which has been a real competitive advantage for Victoria. Victoria has benefited. You only have to look to the New South Wales WorkCover scheme to see what happens when a scheme is not run properly; there have been recent headlines on that. Victoria has had a competitive advantage in attracting investment through good management of the WorkCover scheme.

In finalising my contribution, because I know there are a number of other people who want to contribute to this debate and obviously it is Thursday, I would say that we all owe a debt of gratitude to those in public services outside of this place who have worked so hard to make this scheme such a successful part of the Victorian community. This is something that has been recognised by business, the legal community and the union movement during my consultations on this bill. All of them agree on one thing: that the people who work within WorkCover have provided sterling service to the community of Victoria. They have done such good work in reducing accidents.

We are opposed to this bill because we believe it is a quick cash grab, a snatch and grab, a nasty little grinch effort at Christmas that will undermine employment in small and medium size businesses, and that is not worthy of the support of the Labor opposition.

Ms ASHER (Minister for Innovation, Services and Small Business) — I have heard it all! I have just heard a member of the Labor Party, the member for Preston, come out with this little pearl of wisdom, ‘When you raise revenue, someone always pays’. This is from the party of the mining tax. This is from the party of the carbon tax. This is from the party that has a grand tradition of raising revenue and taxing.

The second extraordinary thing I heard the member for Preston say was — —

Ms Thomson — I apologise to the minister, but I feel this is incredibly important legislation, and I wish to draw the Acting Speaker's attention to the state of the house, especially given that there are no Liberals in the chamber.

Quorum formed.

Ms ASHER — The Labor Party hates to be reminded that it is the big-taxing party in this country. The second extraordinary thing I just heard from the member for Preston was that he wanted to pay tribute to the architects — that is, the people who ran the WorkCover scheme. The problem for the member for Preston is that I was a member of this Parliament in 1992, and at that time the Labor Party was dragged kicking and screaming into supporting the reforms the Kennett government introduced to the WorkCover system. The Labor Party hated those reforms. The Labor Party was the guilty party. It opposed any reform to the WorkCover scheme. The problem for the member for Preston is that some of us have been around a little bit longer than just a couple of years.

The other interesting element of the contribution of the member for Preston was that the Labor Party has constantly said any time a saving has been proposed by this government that it is opposed to it, and any time there is a revenue measure by this government Labor is opposed to it. You need to place in context why this dividend was introduced. This government inherited an unsustainable budget where revenue was being raised at a greater level than was appropriate and where the public sector was growing at a rate greater than population growth. The member for Preston did not raise any of the context in which the government was forced to bring in this particular dividend.

In terms of the bill itself, the budget update did contain a dividend from the Victorian WorkCover Authority (VWA). In 2011–12 it was \$147 million. The member for Preston referred to the out years as well. One of the reasons we introduced this dividend was that we faced a particularly difficult financial circumstance, and seeking dividends from public sector authorities is not odd. Most public sector authorities actually pay them. The Labor Party was quite happy to take dividends out of the water authorities or the Transport Accident Commission (TAC), by way of example, when it was in government, and now it has screamed about this particular dividend.

The bill before the house brings into reality the announcement the government made about this dividend in September. I am not surprised that the ALP is making this bill this week's cause célèbre, because it

must have one every week. I will go through a couple of facts. As I have indicated, most state authorities pay dividends. In fact the TAC pays dividends, and that is probably a very good comparison. I am pleased that the member for Preston had the integrity not to say that the government was wishing to cut back on benefits, because some union members have. The member for Preston did not make that claim, and I pay credit to him for that, but some unions have sought to use this bill to make an outrageous accusation about the government and suggest that it may be seeking to cut benefits. This is not the case at all, because those benefits are enshrined in legislation.

The key argument of the member for Preston was that this dividend is somehow going to impact on premiums. This is not the case. Premiums are set based on a projection of costs the VWA will incur, such as claims and other costs. Premiums are not set by the financial results of the previous year. The member for Preston needs to understand how these premiums are actually set. Victorian premiums are the lowest of any state due to the excellent safety record of Victorian companies. If there are more improvements in safety, there will be more capacity for premiums to be reduced.

The member for Preston needs to know that Victorian taxpayers underwrite WorkCover. The government guarantees WorkCover. That is absolutely fundamental to the fact that WorkCover can embark on a more aggressive investment strategy knowing that taxpayers underwrite its scheme. The member for Preston should read the bill. In particular he should read clause 4. He referred to this clause, but he appears not to have read it. New section 33A(2), to be inserted by clause 4, states:

In making a determination under this section, the Treasurer must have regard to any advice that the Authority has given to the Treasurer in relation to the Authority's affairs.

The bill binds the Treasurer into having regard to that. New section 33B(2) states that:

... the Treasurer must have regard to the solvency margin determined to maintain the long term financial viability of the accident compensation scheme.

I have heard the ridiculous proposition from the member for Preston that he would like the solvency regime to be defined in the act. It would be an absurdity to define a solvency regime in the act, which of course is why it is not defined in the act. I am happy to tell the member for Preston that the VWA's funding ratio was 97 per cent at December 2011, and if he would like to refer to the VWA's risk preference statement, the preferred funding ratio range is 85 to 115 per cent. Obviously we are within that range at the moment.

The member for Preston expressed great concern in relation to those who self-insure. The insurance companies of those who self-insure pay premiums to their shareholders in exactly the same way that this will occur now. The context in which the government was forced to do this was completely ignored by the member for Preston. What we have seen left by the Labor Party is black hole after black hole, and fundamentally what we saw in its time in government was a growth in the public sector that well exceeded population growth. We saw growth in the public sector of over 5 per cent and population growth of 2 per cent; these are the circumstances this government inherited.

We have declared that the Victorian WorkCover Authority will pay a dividend in exactly the same way that other public authorities pay dividends. I note that the Labor Party was very happy to collect dividends from other public authorities when it was in government. There is not a great deal of difference.

As I said earlier, it is no surprise to me that the Labor Party is opposing this bill. It is no surprise at all, because one of the glorious things about this Labor opposition is that parties may say things in government that are different to what they would say in opposition, but this opposition has an unbelievable degree of hypocrisy. The Labor Party took dividends from public authorities for its entire 11 years in government, and it opposed the very reforms that have enabled WorkCover to be the success it has been. Members of the Labor Party should hang their heads in shame.

Mr PALLAS (Tarneit) — I am pleased to rise to speak in opposition to this bill. What we have heard once again today is an attempt to justify an unreconstructed dash for cash. This is a smash-and-grab job from a fainthearted and fiscally feeble government that refuses to own up to its obligations and responsibility to govern. If you believe the minister who has just addressed this chamber, the reason this state needs this ridiculous attempt to undermine the effective management of the Victorian WorkCover Authority (VWA) is effectively because of the carbon tax. I have not seen so much carbon dioxide emitted in this place for a long time. This is a government that spends its life trying to absolve itself of responsibility for the decisions it makes. We have seen revenues in this state's budget rise by over 4 per cent. That means that this is a government that has more revenue than any other government in this state's history, but of course this government is still incapable of managing the books.

Let us talk a little bit about good management. Good management is demonstrated by the sorts of things that

were done when Labor was in government and when it oversaw the management of the VWA. If you want a demonstration of a belief in job creation, look at what we did when average premiums for the Victorian WorkCover Authority were 2.22 per cent in 2004–05 and they were reduced progressively through six premium reductions down to 1.338 per cent. They are in fact the lowest average premiums in the nation. The benefits that are provided are of course amongst the best.

Victorians would be proud to know that we have the safest workplaces in the country. Victoria's workers compensation premiums are the lowest. That is a matter of pride, but that pride does not come from essentially trying to separate the management responsibilities of the Victorian WorkCover Authority from the consequences of doing so — and those actions do have consequences. You simply cannot take almost half a billion dollars out of an authority the principal responsibility of which is to look after the welfare of workers and ultimately to ensure that their welfare is being adequately managed so that business is not encumbered by unrealistic cost imposts.

Essentially what we have is a government that is moving progressively to a point where the Victorian WorkCover Authority's capacity to manage will be compromised. It is not me saying that; it is the former chair of the Victorian WorkCover Authority, James MacKenzie, who in an opinion piece published in the *Australian Financial Review* of 28 February made a number of observations that are important for us to bear in mind. He said that the Baillieu government either does not understand or simply does not care about the consequences of taking these sort of funds out of the Victorian WorkCover Authority — \$500 million out of a fund that no Victorian government has ever contributed to and which has been funded entirely by Victorian employers.

Let us put that into context. Here is money being taken by the state to line its own coffers from an authority that was never at any stage funded by the Victorian government. Employers are having their funds — money put towards the protection and benefit of their employees — plundered by a state government. We hear that the intention is that that will not lead to a consequential reduction of entitlements, and we take the minister at her word today that that will not be the case. But I hope it is not just a lot more CO2 coming from this government, because if it is, the practical consequences are that workers and ultimately employers will suffer.

I also want to draw the attention of the house to the comments made by the former chair of the Victorian WorkCover Authority. He described the move of taking this money out, which is described by the government as a consistent dividend policy, as extraordinary. He said:

Let's consider what this will mean for Victorian workers and employers. The money that will now go to the government will affect WorkSafe's ability to remain fully funded, and it will place it in the middle of party politics.

Off the back of strong OHS —

that is occupational health and safety —

and claims management outcomes, will WorkSafe continue to recommend premium reductions or benefit increases, as it has over the past decade, or will it be swayed by the impact these decisions will have on government dividends?

That is part of the folly of this policy initiative, because it effectively infects the proper administration of the Victorian WorkCover Authority with considerations that are extraneous and have never been part of the administration and management of this great fund. It is a fund that until today every Victorian could have been proud of because they knew that whatever money was coming in, whatever contributions employers made, was being put towards the stated statutory purposes of protecting workers and ensuring that injured workers were provided with adequate care.

I will finish with further comments made by Mr MacKenzie:

The Baillieu government is understandably keen to prove its economic credentials, but it would be wise to think twice about its approach.

Given Mr MacKenzie's track record as chairman of a fund that has proven itself to be great, both in terms of the benefits it provides to workers and in terms of it continuing consistently to reduce the burden upon employers through its capacity to provide a premium quality level of protection while continually reducing the level of obligation on and input from employers, these are apposite words. They are words that we should listen to with a fair degree of respect. This is not some party political apparatchik out there shouting from the rafters that here we have a conservative government reverting back to type. That would be the sort of thing I would say. This is a man who has demonstrated through his management of this fund that the government should be very careful and conscious of the practical effect of these decisions, which will be to politicise the fund and ultimately put at risk its good management and the welfare of working people. On

that basis I oppose the bill, and I do not wish it a speedy passage.

Mr WELLER (Rodney) — It is with great pleasure that I rise to speak on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. I will reinforce the view of the member for Preston that the crux of this bill is clause 4, 'Capital and dividends'. That clause inserts new section 33A, 'Repayment of capital', which states:

- (1) The capital of the Authority is repayable to the State at the times and in the amounts determined by the Treasurer after consultation with the Authority and the Minister.
- (2) In making a determination under this section, the Treasurer must have regard to any advice that the Authority has given to the Treasurer in relation to the Authority's affairs.

I note the word 'must' there: that the Treasurer must have regard to the advice that he has been given. It is not a 'may'; it is not a 'should'; it is a 'must'.

New section 33B talks about dividends. It states:

- (1) The Authority must pay to the State a dividend at the time and in the manner determined by the Treasurer after consultation with the Authority and the Minister.
- (2) In determining the dividend policy that applies to the Authority, the Treasurer must have regard to the solvency margin determined to maintain the long term financial viability of the accident compensation scheme.

Once again it states that the Treasurer 'must' — it does not say 'should' or 'may' — have regard to the advice that he has been given.

The member for Preston also made some purlers in that he said when you raise revenue, someone pays. I agree — and the Labor Party should remember that. Obviously it does, and it probably remembered it when it brought in the water tax which sees all the urban water corporations in Victoria now paying 5 per cent on their turnover. The rural water corporations — the likes of Goulburn-Murray Water, Southern Rural Water and Sunraysia Rural Water — pay 2 per cent, which is 2 per cent on productivity, because that water is being used to create jobs and export dollars. That is a tax on productivity, but the previous government was quite happy to bring that in.

There are other government business enterprises that pay a dividend. The Transport Accident Commission pays a dividend; VicForests pays a dividend; most government business enterprises pay a dividend. This is just bringing the Victorian WorkCover Authority into line with other government business enterprises. It is no

longer justifiable to continue to exempt the Victorian WorkCover Authority from paying dividends given that the government effectively underwrites the scheme, ensuring that all entitlements can be paid when and if they become due. The member for Tarneit made the observation that the government has never put money in. That may be correct. However, when you underwrite the liability, if there is any downside, you are there to take that, and you have made the Victorian WorkCover Authority more viable, which has allowed it to run as it has. To say the government has not put anything in is wrong. The government, by underwriting the authority, has allowed it to run more efficiently.

It is also proposed that the dividend be paid as a set proportion of the Victorian WorkCover Authority's underlying profit. Consequently a dividend will only be payable where the Victorian WorkCover Authority is in a financial position to fund the dividend. It does not necessarily follow that the Victorian WorkCover Authority will be obliged to pay a dividend every year, so once again the minister must — —

Mr Trezise interjected.

Mr WELLER — The member for Geelong has actually twigged to this and understands that the minister must. The Victorian WorkCover Authority benefits have increased. I will give credit to the opposition, because it was in power after the Hanks review of 2010 when a couple of things happened. It almost doubled the lump sum death benefits and improved access to pensions for dependants of deceased workers, and there was a better income replacement lump sum benefit for injured workers. Both sides of politics supported that, and that is a good thing.

The Victorian WorkCover Authority premiums paid by employers are, as the member for Tarneit on the other side mentioned — and I give him credit — at 1.338 per cent, which is the lowest in Australia. If we compare it to Comcare — —

Honourable members interjecting.

Mr WELLER — Our continued good management, one would say. The premiums are at 1.41 per cent for Comcare, 1.42 per cent for Queensland and 1.66 per cent for New South Wales. Due to the prudent management of the Victorian WorkCover Authority and the implicit government underwriting I have mentioned, which has helped the authority achieve low premiums, and because the government will pick up any downside effects, the payment of dividends is not expected to increase premiums.

Ms Kairouz interjected.

Mr WELLER — Not expected to, no. We are not the only people saying this. I have an article by Lucille Keen from the *Australian Financial Review* of 20 December 2011, which says:

The Australian Industry Group's Victorian director, Tim Piper, said the removal of dividends from WorkCover need not have a negative impact ...

That is what the Australian Industry Group is saying, so the doomsayers on the other side who are trying to drive industry out of Victoria are at odds with the Australian Industry Group. The member for Preston commented that this will mean less jobs, but the Australian Industry Group does not agree with that. It is saying that need not be the case.

Fortunately I also have an article entitled 'WorkCover changes slammed'. We have heard that. Like the member for Brighton, the minister for small business, I give credit to the member for Preston in that he did not say that assistance for looking after injured workers would be affected. But in this article we have a lawyer, Mr Ian Dallas, saying:

At the moment, there is no indication people will be affected in the sense that they will lose their compensation ...

That is a lawyers saying there is no problem, the premium is not going up and people are not going to lose any of the benefits. So what is the problem? Victorian WorkCover Authority premiums will be reviewed to ensure that they are appropriate for the risk, which is quite right. The dividend amount will vary from year to year, as the member for Preston pointed out, and the projections are there. What also has to be remembered is that the minister must take advice from the authority before the dividend is set each year. In the 2011–12 year the budgeted dividend is \$147 million, based on a 50 per cent payout of the previous year's performance from insurance operation. That is what it has been based on, and the minister has taken advice and is not going to do anything that would be detrimental to the outcome for workers or the companies that are paying the levies.

Mr Trezise — Why are you antiworker?

Mr WELLER — The member for Geelong interjects, and I know it would be wrong of me to respond to an interjection, but he asks why I am antiworker. What he should understand is that I am an employer, and I create jobs. Unlike members on the other side, I have been involved in creating jobs, and we need to do that for the prosperity and productivity of this state. The opposition does not understand that.

In summary, this bill will have no detrimental effects on workers benefits; those benefits are guaranteed. This bill will have no impact on the amount employers will have to pay in premiums. It is a sensible way forward, consistent with other ways of raising money. When the opposition was in government all it did was create non-productive jobs. We are into productive jobs. We will create jobs that make the future better, not just jobs for the short term, and productivity is the key.

Ms KAIROUZ (Kororoit) — I rise to speak on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. The bill basically amends the Accident Compensation Amendment Act 1985 to allow the Victorian WorkCover Authority to repay capital or pay dividends to the state of Victoria. What we are witnessing in this chamber with the presentation of this bill is the greatest premeditated and deliberate act of political vandalism this state has ever seen and is ever likely to see. This is an act of treachery, one for which this government should stand condemned.

Over more than a decade — after the Jeff Kennett-led coalition government gutted Victoria's workers compensation system for the first time — Victorian Labor restored workers rights and established a system for workers compensation and insurance of which Victoria could be proud. Over time premiums were lowered, and workplaces had never been safer than under Victorian Labor and its commitment to workers' safety. This government has been in place for less than 18 months and is already going to take a wrecking ball to the WorkCover scheme in what amounts to a disgusting and dismal display of dunce economics.

This bill amounts to no more than a cash raid of \$471.5 million over four years. What makes it worse is that there are absolutely no controls on how this may occur or to limit the raids to just this figure once this bill is passed. This bill is outright dangerous. If passed into law, it will give the Treasurer carte blanche to rip millions of dollars from the WorkCover coffers with no questions asked. He can just do it. Next year, the one after that and the one after that when the wise men gather together to do the sums on the back of the envelope and they run out of space on the back of the envelope they will be able to say, 'That doesn't matter. Let's raid WorkCover again!'

However, they will not be able to do that forever, because three things are likely to happen. The first thing that could happen is that they will raid the cash tin too deep and come up with only loose change at the end of the day. In that case they will have to raise the premiums. The second thing that will happen is that we will see employers jack up and leave the system in

droves to become self-insurers. The third thing, which is the most obvious outcome, is that the scheme will go broke, leaving those few employers left in the scheme to wonder how the party for the big end of town has killed the goose that laid the golden egg. There is little doubt that injured workers will suffer as well and that there will be more workers injured over time if this bill passes.

I am really interested in seeing how the government can spin this one when in the *Age* on 20 December 2011 the former chairman of the Victorian WorkCover Authority James, MacKenzie, slammed this proposal. He has said elsewhere that:

The big risk is that employer premiums will have to rise, or benefits to injured workers will have to be slashed ...

Of course the Premier will deny that benefits to workers will be cut and claim that they are enshrined in legislation, but what the government will not tell us is that behind the scenes it is already secretly in the middle of rewriting legislation governing workers compensation.

Under former chairman MacKenzie Victoria was able to boast the most financially sound workers compensation scheme in Australia, according to an October 2011 report by Safe Work Australia. But that does not mean the scheme cannot have a bad year. Indeed during the six-month period to December 2011 it recorded a loss of \$641 million. This figure tells us that while its balance sheet is strong, the scheme is always under cost pressure and cannot afford to have its assets stripped by this 21st century gang of carpetbaggers.

The Victorian government should be doing all it can to support WorkCover and the fight to make Victorian workplaces safer. Instead it has embarked on this devious, dangerous and downright disgusting course of action, a course of action for which every Victorian should hold every member who supports this bill in contempt. This is a lazy Treasurer in a lazy government who, rather than actually learning to count, subtract and do all the other things required to get a balanced budget, has just imposed another tax. This bill is a tax on business, a tax on injured workers and a badge of shame that all those opposite who support it will have to carry. Labor opposes this bill, and I support my colleagues in not wishing it a speedy passage.

Mr BATTIN (Gembrook) — I rise to support this bill, which relates to the Victorian WorkCover Authority. In doing so I will talk firstly of the objective of the bill, which is to bring the Victorian WorkCover Authority into line with other government business

enterprises throughout Victoria that currently pay dividends to the state. Other speakers have mentioned a few of them, such as the water corporations, the Transport Accident Commission and VicForests.

It is important to put into perspective the effect that this legislation will have. We have heard the doomsday predictions of those on the other side. We have also heard about the benefits that are paid to injured workers and the purpose for which the authority was established. Nothing will change in relation to the benefits paid by the Victorian WorkCover Authority with the passing of this legislation. Injured workers and those protected by the Accident Compensation Amendment Act 1985 will continue to receive the same benefits. The government is proud that it is standing up for those workers to ensure that they are protected, and it will continue to underwrite the payment of benefits to workers who are injured at their workplace.

In his contribution to the debate the member for Rodney brought up the matter of premiums. It is not expected that premiums will rise as a result of this legislation. Victoria currently has the lowest premiums in Australia at 1.34 per cent. By comparison, Comcare is 1.41 per cent, Queensland is 1.42 per cent and New South Wales is 1.66 per cent.

Clause 4 of the bill inserts new sections 33A and 33B, which will allow the Treasurer to make determinations for the authority to repay capital and/or pay dividends to the state, but the Treasurer must consult with the responsible minister and the authority. As the member for Rodney said, it is important to note that under new section 33A:

... the Treasurer must have regard to any advice that the Authority has given the Treasurer in relation to the Authority's affairs.

He emphasised those words, and I will stick with them. However, those on the other side spoke them very quickly. As the member for Rodney said, it is does not say 'should', 'could' or 'maybe'; it says 'must'.

I turn now to the issue of financial management. We have heard much commentary about financial management. Financial management under the former government was so poor that we will be paying for projects such as the desalination plant for 20-plus years. We continually hear from the other side — —

Mr Delahunty interjected.

Mr BATTIN — As the minister at the table, the Minister for Sport and Recreation, said, it is 27 years. I thank the minister for that information. We hear from

those on the other side that that money is not coming out of the budget. Earlier in the debate the member for Preston said that when revenue is raised someone always pays. The desal plant will be paid for by workers, taxpayers and businesses in Victoria for the next 27 years. They are the ones who will have to foot the bill for the disgraceful contract that was signed by the member for Lyndhurst, the former Minister for Water.

We can keep going through the many issues in relation to the funding of and spending on projects such as myki by the former government, but we can never forget what has happened with myki. Not only did the former government bugger up the contracts, overspend and get it all wrong in an attempt to get the system going, but it also spent money on an advertising campaign. On the first occasion the former government went out to show the public how myki works, its representative walked up to a reader, placed their ticket against it and the whole machine fell off its stand. It is a prime example of what can happen. After that the minister of the day tried to put \$20 in a machine to top up her myki card, but not even the machine would take her money. That is a perfect example of what happened under the former government and how it managed the state's finances.

The government inherited a budget position in which the public sector was growing at a significantly faster rate than the population in this state. This was not sustainable, and it was something that we needed to address. The Treasurer — and what a great Treasurer he is — is working very hard to get the state's finances back on track and formulate a sustainable budget for the future. That is a responsible thing to do not only for people today but also for those in the future.

The Victorian WorkCover Authority has accumulated a significant pool of funds over time. This is due to good government policies and good ongoing management. It is no longer justifiable to exempt the authority from paying a dividend to the government. As I said earlier, the bill allows the Treasurer to make determinations for the authority to repay capital and/or pay dividends. The dividends will come from premiums paid by current and past employers, current and retired employees and supportive government policies. Given the multigenerational nature of the funding coming into the authority, the government believes that this revenue should be shared by all Victorians through the payment to the state of a dividend. The government stands by its claim that premiums are expected to remain the same, benefits will continue to be paid to injured workers and the Victorian WorkCover Authority will be viable into the future.

The doomsday predictions of the last speaker, the member for Kororoit, on behalf of the opposition, that the authority is going to go broke and what have you, are not supported by the \$10 billion-plus in assets the authority currently has. The authority has had the opportunity to aggressively invest to secure its future, and that aggression stems from the government of the day underwriting the risk over many years.

The bill will allow the Treasurer to make determinations in relation to dividends under new section 33B, to be inserted by clause 4. When determining the dividend policy for the authority:

... the Treasurer must have regard to the solvency margin determined to maintain the long-term financial viability of the accident compensation scheme.

I repeat, the Treasurer must have regard to the solvency margin.

I commend the responsible minister on this bill. As I said, with the passing of this legislation there is an opportunity for all Victorians to share the dividends. We will be able to put the state back on a sound fiscal track and ensure a viable future and a responsible budget. It has been tough taking over from the former government, having inherited a legacy of waste and mismanagement built up over 11 years, and the Treasurer has not stood back from that. I support the Accident Compensation Amendment (Repayments and Dividends) Bill and wish it a speedy passage.

Mr EREN (Lara) — I rise to speak in the debate on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. The main purpose of this bill is to amend the Accident Compensation Amendment Act 1985 to enable the Victorian WorkCover Authority to repay capital and/or pay dividends to the state of Victoria. Up until now WorkCover has been a closed scheme in which money paid in by employers was used to prevent worker injury and disease and to pay benefits to injured workers. The bill that is before us will take from the authority some \$471.5 million in dividends over four years. This will obviously have a negative impact on premiums, business and employment.

In terms of legislation introduced by this government so far, this has to be the lowest of a number of lows. Workers have an entitlement to work in a safe environment and return home safely to their families at the end of the day. When from time to time workers are injured, they need to be looked after by a system that is fair, and we created a system which dealt fairly with injured workers. One can only assume that the next legislation the government will bring to the house will be about it taking candy from a baby. That is how low

this government will go to protect its credentials in terms of financial management.

When the government came into office, the Premier said in a radio interview that the finances of the state were in good order with a AAA credit rating. Some 15 to 16 months later, a bill is brought before the house to gut the organisation that regulates workers' safety. The government will take \$471.5 million from the Victorian WorkCover Authority, yet the government says this will have no impact whatsoever on the authority. That is obviously not the case; cuts will be made.

With all due respect, Acting Speaker, in your contribution you referred to something Tim Piper from the Australian Industry Group is reported as saying in the *Australian Financial Review*, but what you did not pick up in your contribution is that he is also quoted as saying, 'What it is more likely to do is to reduce the innovative opportunities WorkCover has to consider injury prevention activities'. What he is basically saying is taking \$470 million from WorkCover's kitty will obviously have an impact on its operations — the good work it does to get workers who have been injured back into the workforce.

WorkCover has clearly been innovative. It obviously has a lot of money as a result of the efficient way it has operated in trying to get injured workers back into the workforce — and we know how important that is. It has done all that in an efficient and fair manner. What is its reward for its efficiency? It is that it will have its purse raided by a greedy, incompetent government that cannot handle its finances. That is exactly what it is about. The government does not fund the organisation, so how dare it raid its budget. It is outrageous. Some of the contributions that have been made to the debate have shown total disregard for the impact on workers.

Mr Katos interjected.

Mr EREN — Acting Speaker, the member for South Barwon is interjecting, which is unruly, for a start — —

The ACTING SPEAKER (Mr Weller) — Order! I remind the member that it is unruly to respond to interjections.

Mr EREN — I will not respond to them, Acting Speaker, but I point out that the former government had the foresight to move the Transport Accident Commission to Geelong. The TAC is another fine organisation that is probably in the gun to have its budget raided in the future as well. To this day the Premier has not ruled out any job cuts in relation to the TAC. We know the government has a secret report in

relation to both WorkCover and the TAC, and we know that the government is taking \$470 million out of the budget of the Victorian WorkCover Authority, but who knows what the government will do to the TAC. As has been indicated before, all we ask in Geelong is that the Premier rule out any cuts, or any job cuts, to the TAC.

Clearly what we have before the house is another fundamental philosophical divide between the opposition and a very conservative government that attacks the most vulnerable in our communities. That is what taking \$470 million out of WorkCover's budget amounts to. Government members cannot say that is not going to have an impact on the operations of the Victorian WorkCover Authority. I hope they are not saying that, because they would be deluding themselves. Once the government gets to the point of taking almost half a billion dollars out of the authority, it would know that that will have an adverse impact on the operations of that organisation, which in turn will obviously have an impact on the injured workers who seek to use its support services. In previous contributions government members have said, 'We are looking after employers as well'. Hang on! When we on this side were in government we carefully and considerately balanced how we conducted ourselves. You do not have to trample on the rights of workers to get your budget back into the black, and that is what the government is doing. That is an absolute shame.

The bill is one of the worst bills that could come before the house, and obviously we are not supporting it. We cannot and will never support a bill that tramples on the rights of workers. As a result of some of the changes the government is making, including the gutting of \$470 million from the Victorian WorkCover Authority, the organisation will be adversely affected and will not be able to sustain its current level of service. Its budget will be tight, and it will not be able to operate in the efficient way it normally would. As a result it might have to cut certain corners, and 12 months or 24 months down the track this could lead to a sharp increase in the rate of workplace injury or, God forbid, workplace death. Without further ado, we are obviously not supporting the bill before the house, and we do not wish it a speedy passage.

Mr McCURDY (Murray Valley) — I am delighted to rise to speak in favour of the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. Before I start on the attributes of the bill, having listened to members on the other side I think it is important to talk about what the bill is not about. It is not about raising premiums, compromising a successful model or trampling on workers and WorkSafe — it is not about that at all.

The bill amends the Accident Compensation Amendment Act 1985 to allow the Victorian WorkCover Authority to pay dividends or repay capital to the state. It is quite simple, and it has nothing to do with what we have heard from the other side of the house. At the same time it implements the government's decisions to apply the standard government business enterprise dividend policy to WorkCover. That brings WorkCover in line with most other government business enterprises, including the Transport Accident Commission (TAC), as we heard earlier today. We are not setting any precedents. The bill ties in with what is currently done in other portfolios. The process will be that the Treasurer will determine dividends and repayments of capital, obviously after consulting with WorkCover and the responsible minister and having regard to WorkCover's financial position.

As we are aware, Victorian taxpayers effectively underwrite the WorkCover accident compensation insurance scheme so that liabilities, which include benefits and entitlements, will always be paid in full as they become due. This means that Victorian taxpayers bear that risk and might have to ensure that these payments are made if WorkCover's resources become insufficient, so it is not in anyone's interest to compromise this successful model. It is therefore appropriate that the broader Victorian community benefit from WorkCover's financial performance through a dividend payment. Like any business, if you are prepared to share in the pain and carry the risk, you also need to be in a position to share those dividends.

As is the TAC, WorkCover is well managed and financially sound. WorkCover delivers excellent benefits to injured workers while maintaining the lowest average premium rate of any workers compensation scheme in Australia, at 1.338 per cent, maintaining a strong financial position. This legislation is not about making WorkCover financially vulnerable; this is sound business practice, and sound business practice is certainly a mainstay of this government, even if it was not true of the previous government. The payment of dividends from profit on insurance operations will not put upward pressure on the average premium. Premiums are set each year on the basis of the projected claims and other costs WorkCover is expected to incur in the year ahead, not by looking back at the financial outcomes of the past years. Dividends will have no impact on benefit entitlements, because benefits under the accident compensation scheme are enshrined in legislation. I am sure members on the other side have forgotten that. We know the last few years have been particularly volatile for workers compensation schemes around the world. Nevertheless,

Victorian WorkSafe continues to have the lowest premium in its history.

Victorian WorkCover will remain vigilant to ensure sustainable and affordable WorkSafe injury insurance for Victorian employers, and that is imperative for this government. WorkCover has the financial capacity to make dividend payments. These dividends will provide part of the resources for much-needed investment in economic and social infrastructure, and we need to be able to do that in our communities. We see almost weekly the results of the mismanagement of the former Labor government which has put us in tough financial times, and we need to have a balanced argument.

This reform is part of the Victorian coalition government's commitment to deliver a stronger economy and improve the quality of community services in health, education, transport and community safety. In my electorate of Murray Valley we welcome any moves that provide improved resources in health, education and transport. I take my hat off to WorkCover. It is to its credit that it is in a sound financial position, which allows this next step to be taken. Unfortunately workplace accidents impact on us all and are felt by those in my electorate, but it is a positive that the Victorian WorkCover Authority, or WorkSafe, has worked with the community to reduce workplace injuries and support employers and injured workers to pursue a safe and sustainable return to work.

These actions have helped to contain costs, ensuring WorkSafe injury insurance premiums remain affordable, as we have been saying throughout the debate on this bill. The injury insurance system also provides strong incentives for sound occupational health and safety and return-to-work practices. This will be achieved by successfully pursuing the basic goals of injury reduction and return to work and ensuring sound claims management to produce improved outcomes.

WorkSafe plays a significant part in our community. Times have changed, as has the public view on WorkSafe, and we are all proactive about ensuring our workplaces are safe. All Victorian employers have an obligation to provide a safe and healthy workplace. This obligation continues to remain a priority for this government, and as I have said on numerous occasions we do not plan to compromise that. There are significant fines in place for employers who do not provide a safe and healthy work environment.

I am mystified as to why the opposition opposes this bill. I have sat through most of the commentary on the Auditor-General's reports, week in and week out, and each week I hope to hear good news, but most weeks I

am disappointed, whether it is in relation to the sale of poker machines or whether it is in relation to myki. Yesterday we heard about the state of public housing and more about the mess we have been left to tidy up. We need to do whatever we can to ensure that this mismanagement is addressed and things get back on track. The minute we take a proactive approach on anything, members of the opposition do their best to oppose what is common sense. As I said, this legislation is not designed to compromise WorkCover; it is good, sound business practice. All Victorians have been paying and will continue to pay the price for the mismanagement of the previous government, and we need to bring things back into line.

I listened to the member for Preston and in particular the member for Tarneit talk about smashing and grabbing. The member for Tarneit said this government has more money than any other government. Having heard all the things the member for Tarneit was going on about, I think he needs a basic lesson in economic management: disposable cash is the difference between revenue and fixed costs. Labor members never talk about costs. They talk about spending money, and they talk about jobs, but they never make sure that the budgets balance. They are happy to play Santa Claus, hand out all the money and make all the project announcements, but when it comes to funding them and making sure that the costs add up, they forget about those behind the scenes who have to make the budgets balance. They have had a complete disregard for sound economic management, and we are bringing things back into line.

If we take that view to the nth degree, we will end up like Queensland, with a debt that means it is financially on its knees. I am a great fan of Queensland; it is a great state, but it is experiencing difficult times because it has not been able to get its economic management under control.

Mr Delahunty — Typical Labor!

Mr McCURDY — It is typical Labor. Labor struggles to manage money. The typical question is: how do you become a shadow minister? The easy way is to get elected into the Queensland Labor Party, because everybody gets a guernsey in that gig. If you want to speak on any bills, you will certainly get the opportunity if you are a member of that opposition.

This government will not allow Victoria to get to the same economic situation. We have the courage to keep up with revenue streams and are making sure that we are taking a balanced approach to ensuring that revenue and expenditure are kept well in check. As the member

for Rodney has said, we are bringing WorkCover into line with organisations such as VicForests and the Transport Accident Commission — and the list goes on of other bodies that already have successful models — and we are going to continue on with that. The members for Kororoit and Lara missed the point marginally in saying this bill is an act of treachery. Time does not permit me to talk about the acts of treachery that were done under the previous government. I would need an extension of time, and I am not sure that is allowable. I will leave that for another day and will commend the bill to the house.

Mr DONNELLAN (Narre Warren North) — It is an honour to speak on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. What we have here is a big new tax — a big, half-billion-dollar tax. It is a bit like the Regional Development Fund; over eight years it will be a billion-dollar tax on business. It is not a dividend; there is no use in the government wrapping this up in the idea that somehow or other it is a dividend. This is a tax on business because it is funded by business premiums. At the end of the day the government is reaching its hands in and taking half a billion dollars out of the scheme. Somehow or other there is this delusional idea that the premiums will stay the same and the entitlements will stay the same — and I am waiting for one of the members on the other side to tell me that the injury prevention work that WorkCover does will also stay the same. Because at the end of the day, if you take money out, you cannot do the same thing. It is just a grand delusion.

What we have is a government that is using the business community to prop up its surplus — its very flimsy, ordinary surplus. It will take half a billion dollars of tax — —

Mr Katos interjected.

Mr DONNELLAN — This is a tax; let me be very clear. It was a closed scheme, and the reason it was closed was to keep the hands of Liberal Party members off its money. That is why it was closed; we know why. The business community is being asked to prop up the government's surplus. What did we on this side do? We dropped premiums six times while we were in government. What are members opposite going to do? They will rip out \$500 million and are telling the public that, somehow or other, 'Nothing will change'. That sounds like the Sergeant Schulz excuse of, 'I know nothing. Nothing, nothing I know'. That is very much what we have here today.

It will mean employment will be less appealing for employers. That is a problem. This party of business will be ripping and stealing from business but is pretending that somehow or other employment will not be diminished by this exercise. That is really what is happening here. The premiums and entitlements will vary over time. You cannot take \$500 million out of a scheme like this — \$1 billion over eight years — and not expect changes in the way entitlements are provided or premiums are paid. It just does not work that way.

The member for Brighton has said in this house what a marvellous thing this is for business. I can assure the house that the businesspeople I have spoken to are not looking forward to having a \$500 million tax apply to them. That is what they have told me. This is a tax on employment.

Honourable members interjecting.

Mr DONNELLAN — We cannot know that because we know they will be punished by a group of people on that side, because they are big on punishment. We know what they are like. There is no forgiveness, there is no confessional.

Mr Watt interjected.

Mr DONNELLAN — We know what you will do. At the end of the day this is theft on a grand scale from the business community.

Let us leave my fine contribution alone and look at what other people have said. What did James MacKenzie say? The media reports:

James MacKenzie, chairman of the Transport Accident Commission and Victorian WorkCover Authority, reaches the inescapable conclusion that a state government's decision to impose a dividend on the workers compensation and WorkSafe authorities is akin to simply another tax on employers ...

That is what he said. Are we going to question the business credentials of James MacKenzie? Probably not. I do not think that would be appropriate. He says it is a tax on business, and others have suggested the same.

The silliest thing here is that the government is locking itself into this bird brain idea that the premiums, entitlements and injury prevention will not be altered by this exercise. That is just simply untrue. For member after member to get up here and parrot the silliness of the minister by suggesting that somehow or other nothing will change when you take \$500 million — and \$1 billion over eight years — out of the scheme is just wrong. It is delusional, and it is a grand delusion.

We in the opposition will not be supporting this bill. At the end of the day we know it was a closed scheme, and it was closed for very good reason: to keep it out of the hands of the Liberal Party so it could not prop up its flimsy surplus by stealing from workers and from employers. They will not forget this. While the opposition was in government the business community got six premium reductions. It certainly did not get a massive whack over the head like it is getting with this government. Who knows what will be next to suddenly prop up the incompetence? The government has doubled debt, but it has absolutely nothing to show for it. Now there will be a theft of \$500 million out of the scheme and parrot after parrot gets up here telling the world that nothing will change. The opposition will vigorously oppose the bill, and we do not commend it to the house.

Mr ANGUS (Forest Hill) — I am pleased to rise today to speak in support of the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. Clause 1 clearly sets out the purpose of the bill and states:

The purpose of this Act is to amend the Accident Compensation Act 1985 in order to enable the Victorian WorkCover Authority to repay capital and pay dividends to the State.

As we have heard from other contributors from both sides, this is a consistent approach, and from our side it is an appropriate approach to take in relation to the retained profits that reside with the Victorian WorkCover Authority. Clause 4 contains the key aspect of the bill. It is entitled 'Capital and dividends' and talks about inserting, after section 33 of the Accident Compensation Act 1985, new section 33A entitled 'Repayment of capital'. There are a couple of subsections there. Subsection (1) states:

The capital ... is repayable to the State at the times and in the amounts determined by the Treasurer after consultation with the Authority and the Minister.

The second subsection, which other members on this side have made a point about because it is a very important point, states:

In making a determination under this section, the Treasurer must have regard to any advice that the Authority has given to the Treasurer in relation to the Authority's affairs.

New section 33B entitled 'Dividends', to be inserted by clause 4, says a similar thing in that subsection (2) states:

In determining the dividend policy that applies to the Authority, the Treasurer must have regard to the solvency margin determined to maintain the long term financial viability of the accident compensation scheme.

Again we have in a piece of draft legislation a key check and balance that has been inserted by the government in relation to providing that there must be a consultation process. It will not be a unilateral situation; there will be a cooperative approach that will be discussed at length with those involved. That is a very important aspect of the bill.

We heard from the lead speaker for the opposition, the member for Preston. In his contribution he noted clearly and accurately the fact that there would be no change to workers rights or entitlements and so on. It has been interesting to note that some of the subsequent speakers contradicted him. In his contribution the member for Lara clearly stated that this particular piece of legislation would impact on workers rights and entitlements, trying to create the delusion that that would be the case. The member for Preston was right in his contribution, in that there will not be any change to workers rights and entitlements. It is the opposition lead speaker who is right. The other members are obviously confused, have not listened to him and certainly have not read the details of the proposal and come to grips with the sound economic management of this side of the house.

If we turn to the details of the proposal, we can see, as I have noted, that it will allow the Treasurer to make the dividend and repayment of capital determinations after the consultation process with both the authority itself and the responsible minister. It is not going to be a willy-nilly process; it is a matter of doing what is appropriate for the government and for the authority. It is not going to necessarily follow that there will be a dividend paid on a regular basis, an annual basis. It will be a matter of an annual decision being made in terms of the budgetary constraints and the budgetary deliberations.

It is interesting, as I have said, that we have heard a number of contributions from members on the other side of the house in relation to financial management. It is extraordinary that the opposition would want to take us down that track, because any of us on this side could talk all day in relation to the financial management we have seen from the previous government — or I should say the financial mismanagement. A number of speakers on our side have cited examples, and I want to touch on a couple of those. We can think of the myki fiasco. Also, as recently as a couple of weeks ago we had another report handed down in this place in relation to the Melbourne Markets Authority, which is another project that is grossly over time and grossly over budget.

The other side just does not cut it when it comes to financial management. Something I have mentioned many times in this place is the desalination plant, which is going to be a financial millstone for every person in Victoria for 27 years. That will be a financial millstone for our children and our grandchildren, with almost \$2 million a day being paid out under that project without any water being received. What an extraordinary contribution to the financial history of this state has been made on that matter alone!

It is a hopeless situation. As one of the other contributors on this side of the house noted, it is a daunting process when we go to the Auditor-General's briefings in this place on Wednesdays at lunchtime to hear week after week about these extraordinary reports being handed up showing the mismanagement that has gone on for such a long time under the previous regime. There are consequences to that. That is one of the things the people of Victoria need to be well aware of. There is not a disconnect between the losses and the current situation; they are directly connected. If you go flushing money down the drain, as we have seen happen with many of these projects over such a long period, there will be consequences. Someone has got to pay for that. That is why we have ended up in a tougher economic environment. The previous government cannot distance itself from the gross economic vandalism, mismanagement and waste which has occurred on a monumental scale.

I note that this particular piece of legislation offers an approach consistent with the approach taken for other government business enterprises, such as the Transport Accident Commission, where there is an appropriate situation in terms of dividend payments and so on. One of the arguments that has been well enunciated on this side of the house is that the government is effectively underwriting the scheme. It is protecting the entitlements. It is as a result of that and of strong economic management in the past that the fund is in the position it is currently in. It is perfectly reasonable for the government to put through this piece of legislation requiring that contribution to be made, but as I have said, it is only going to be made when the fund itself is in a position to pay it. That does not necessarily have to be on an annual basis.

Other members have noted the level of premiums. That is an interesting matter to note in relation to this legislation, because at 1.34 per cent the Victorian WorkCover Authority premiums are the lowest in the country at the moment. We see much higher rates in other jurisdictions, which again is a reflection of management.

In summary there will be no impact upon benefit entitlements. They will always be paid in full as and when they become due. There is no risk to Victorian workers in relation to that. Victorian taxpayers will be underwriting those. It is not as if we are going to be putting them at risk in any way. Those benefits will remain a statutory entitlement. This is part of a responsible and strong economic process, and as I said, it brings this particular authority into line with other authorities. I commend the bill to the house.

Mr CARBINES (Ivanhoe) — I am pleased to make a brief contribution in relation to the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. I will keep my comments brief so that other Labor members also have an opportunity to make a contribution on this bill. I would like to start with a reference to a constituent of mine, a former Premier of Victoria, who first introduced the WorkCare scheme. It was a great initiative by Labor. I know that this constituent of mine and former Premier would be very pleased with the nationalised workers compensation scheme that exists here in Victoria thanks to past Labor governments.

I would also like to pick up on some of the concerns that have been raised about taking half a billion dollars out of a WorkCover compensation scheme that is designed to benefit workers and those who run businesses. It is not a particularly creative grab for money, but if any of this \$500 million was going to be used, then this half a billion dollars could have been invested into lower premiums, which would have had a great effect on lowering premiums and providing opportunities to promote jobs and give more people who run businesses the opportunity to invest in employment. Taking away \$500 million from an insurance compensation scheme is actually a tax on jobs, and we are going to see more added to the figure of 41 000 jobs that have been lost under the Baillieu government here in Victoria.

Half a billion dollars taken out of the insurance scheme is going to mean extra costs for employers and no reductions in their premiums — reductions which had happened consistently under the previous Labor government. That is a concern that has been raised by the Australian Workers Union (AWU), and I note that a number of workers are outside here today protesting to raise their concerns about what happens to workers rights and workers compensation schemes when we have a Liberal government in Victoria. It is not surprising that the government chooses to take half a billion dollars away from employers and workers who rely on this scheme.

In particular I would say those who rely on a scheme like this are often in the manufacturing sector. They are the sorts of workers and businesses that particularly have workplace injuries and rely on a well-funded, well-operating compensation and insurance scheme for workers and employers. These are the sorts of industries that we need to be supporting at this time by having a well-funded insurance scheme that allows premiums to be cut so that employers can continue to focus on investing in jobs and in their businesses. Taking half a billion dollars out of WorkCover lessens the opportunity for cuts to premiums, but it does not lessen the opportunity for cuts to jobs in the manufacturing sector that we have seen under this Liberal government.

I note that on 15 March Cesar Melhem, the Victorian secretary of the AWU, which is my union and the union of many workers here in Victoria, is quoted as having said:

It feels awfully like a re-run of the Kennett years when benefits for injured workers were slashed, common-law claims were eliminated and premiums shot up ...

It is time for Mr Baillieu to get real and start thinking seriously about how he is going to preserve and create good, safe jobs for Victorian workers instead of looking for ways to rip off WorkCover.

Why not invest the funds? What a great difference half a billion dollars would make, not only to manufacturing businesses — so they could cut their premiums and employ more Victorians, which would be useful — but you could also invest in more training and opportunities to promote work safety in the workplace. These are the sorts of things you could do if you knew how to run an insurance scheme that would benefit workers and businesses in Victoria. That is what we need to do instead of plugging black holes created by the Treasurer, who needs to pull \$500 million away from workers and employers, leaving them without the opportunity to continue to run an appropriate scheme for workers and employers.

I would also like to pay tribute to and acknowledge the contribution of the former member for Bendigo West, Bob Cameron, who as Minister for WorkCover did a great job in restoring WorkCover to a sustainable financial footing while ensuring that there were consistent decreases in premiums for employers and businesses. The flow-on from that was a capacity to create jobs in Victoria. There was also a reduction in premiums and an always well-funded scheme. Bob Cameron delivered that year after year in Victoria, and that provided the opportunity for continued growth in jobs.

Some of the further concerns we note in relation to this \$500 million is that it works out to around \$120 million a year, or a potential capacity to reduce premiums by 6 per cent. That is, we could have seen a 6 per cent decrease in premiums for employers year on year, but of course it is not the big end of town that pays; it is not the self-insurers, who do not rely on this scheme. That is why by taking \$500 million out of the scheme the members opposite are going to hit businesses in Victoria that need consistent reductions in their premiums. They need a capacity to be able to invest their hard-earned funds in employing more workers and investing in and growing their businesses. They are not going to be able to do that when the insurance scheme they rely on and contribute to suddenly loses half a billion dollars.

We do not really know where that money is going. We are not told in any great detail where the government is going to put these funds, other than into black holes it has created through promises made which cannot be delivered on and which have not been funded. The government needs to give serious consideration to how it is going to continue to support businesses and employers in Victoria to employ more people when it is taking \$500 million away from businesses, employers and workers in Victoria. We have already seen the number of workers in Victoria diminish by 41 000 under the current government in less than 18 months. What is its solution to that? It says, 'Let's take half a billion dollars out of the WorkCover scheme'. That is the best way to look after the Victorian economy, according to the government.

I note that the 37 biggest employers in this state will not be paying. They do not rely on the WorkCover scheme; they are self-insurers. They are not affected. The government does not have its hand in their back pocket like a thief in the night taking funds away from the insurance schemes to which they make contributions. It will be the engine-room businesses of the Victorian economy that will find the capacity for their premiums to be reduced, seriously undermined and affected by the government's decision to take \$500 million out of the compensation scheme. That money should be reinvested into those businesses to lower premiums so they can invest more of their funds in jobs and not in WorkCover premiums. This is a clear example that these funds should also be used to educate people in the workplace and ensure that employers are doing the right thing by employees and operating safe workplaces, because in turn that also allows a capacity for Victorian businesses to reduce premiums.

With those comments can I say the government has not shown itself to be very creative in the way it manages

its finances in Victoria. Taking away \$500 million from a very efficient scheme is a particularly ham-fisted approach. The scheme was run well under the previous Labor government and particularly by the former member for Bendigo West, who did an excellent job in promoting workplace safety and investing the premiums from businesses in Victoria in workplace safety to ensure that fewer people injured themselves in the workplace, which allowed them to have lower premiums funded out of a WorkCover scheme that had the funds to lower premiums and continue to educate businesses and workers.

We should be able to assure Victorian workers who still have jobs that they can come home safely from the workplace. On the unfortunate and sad occasions when Victorian workers do not return home safely, they should be able to rely on a fully funded, operating WorkCover insurance scheme that will benefit them and their families in times of need. That is the commitment the Labor Party made to them, and that commitment should be made by the Baillieu government. Swiping \$500 million from the WorkCover system that is meant to benefit workers — and benefit employers by providing lower premiums to them so they can invest their funds in more jobs in their businesses and workplaces — is undermining that system, and I think it is a great shame and a disgrace.

Members of the Labor Party will continue to defend the rights of workers not just in the workplace but in their homes so that they have a WorkCover scheme that will protect them and their families in times of need when they have difficulties. That is what this government needs to reflect upon. We are confronted with a disgraceful, thief-in-the-night grab for cash, and members of the Labor Party oppose it.

Debate adjourned on motion of Mr HODGETT (Kilsyth).

Debate adjourned until later this day.

PORT BELLARINE TOURIST RESORT (REPEAL) BILL 2012

Council's amendments

Returned from Council with message relating to following amendments:

1. Clause 5, lines 14 to 17, omit all words and expressions on these lines and insert —

“(1) The Agreement is terminated.

- (2) All rights and liabilities of the State and Grawin Pty. Limited arising out of or in connection with the Agreement are extinguished.
- (3) Without limiting subsection (2), that subsection applies whether or not the Agreement is in force at the commencement of this Act.
- (4) If the Agreement is not in force at the commencement of this Act, the termination of the Agreement is confirmed.”.

2. Clause 6, lines 19 to 22, omit all words and expressions on these lines and insert —

“(1) The Crown lease is terminated.

- (2) All rights and liabilities of the State and Grawin Pty. Limited arising out of or in connection with the Crown lease are extinguished.
- (3) Without limiting subsection (2), that subsection applies whether or not the Crown lease is in force at the commencement of this Act.
- (4) If the Crown lease is not in force at the commencement of this Act, the termination of the Crown lease is confirmed.”.

Mr CLARK (Attorney-General) — I move:

That the amendments be agreed to.

The bill, as received back from the Legislative Council, contains amendments that make clear that the operation of the aspects of the bill that relate to the cessation of various rights and liabilities operate independently of the time of termination of the agreement — that the cessation of those rights and liabilities is to be looked at separately from the issue of when the agreement may have ended.

The government is of the view that the agreement remains afoot as at the present time, but as there have been suggestions to the contrary, these amendments put the matter beyond doubt. Therefore the amendments will apply regardless of when any prior termination of the agreement, if there has been such a prior termination, may be said to have occurred — be that recently or many years ago. It is the intention of the government that the provisions in the bill relating to the cessation of rights and liabilities operate in broad terms for any right or liability in connection with the relevant agreement, regardless of the basis on which such a claim may be asserted.

In short, the amendments the house is now being asked to agree to reflect the policy objectives of the bill as canvassed in the debate on the bill at the second-reading stage, and I thank all honourable members for the contributions they made to that debate.

I commend the bill, together with the amendments, to the house.

Ms NEVILLE (Bellarine) — As I said in my contribution to the second-reading debate, this bill repeals an unusual, in fact unique, act. The Attorney-General has given a detailed explanation of the amendments before the house and what they mean legally. Basically at the end of the day these amendments are about giving a greater guarantee to the state and reducing the risk to the state from any potential compensation claim that may be made by the owners of the land and the parties subject to the act and the agreement.

Members of the opposition in this place and in the other place have supported these amendments. Some people raised concerns about removing rights of developers and rights to compensation. Let me say again that the principal act is unusual; it is a unique act. If any court case were to canvass these issues, it would now be clear that the parties to the original act and agreement had 30 years to take the unique opportunities that were provided for by the legislation and the agreement that was originally signed in 1981.

One of the extraordinary contributions to the debate on the bill in the other place was made by a member of the Greens, who argued that clause 10 of the bill, which removes rights to compensation, should be removed. I find it extraordinary, and quite contradictory in terms of some of the policies of the Greens, that they would argue in the other house that a developer should have the right to compensation because the bill is preventing the developer from causing significant environmental damage to a very important piece of land on the Bellarine Peninsula at Portarlinton.

Having said that, I reiterate that the opposition supported the amendments and the bill in the other place. Over the years we have tried to bring this matter to an end using other mechanisms, including the rezoning of land, attempted termination of the agreement and a number of legal processes. My reading of the bill and the agreement, which may be challenged if a court case were to arise, is that the act imposed obligations on both parties, being the state and Grawin Pty Ltd, and, where possible, the state met those obligations by rezoning the land and so forth. This was done within the required time lines — very early on. After the original agreement further agreements were signed by the Cain and Kirner governments, so it is true to say that the state had met its obligations; however, it is clear to me that Grawin Pty Ltd did not meet its obligations and take advantage of the extraordinary rights conferred upon it by the act.

I cited a particular clause in the agreement, which is in schedule 1 of the act. Grawin was given certain periods of time in which to fulfil and complete its obligations, and it never did that. It was only later, after the land had been rezoned by the former government and the community had made clear and reiterated its support on a number of occasions when the structure plan for Portarlinton was developed, that Grawin commenced some work on the site.

As I said in my contribution to the second-reading debate only the other night, unfortunately Grawin's work on the site has not only caused damage to the drainage system but has also damaged the land by the significant removal of native vegetation. I would request that the government, in offering an ex gratia payment to Grawin, take into account the fact that the developer has actually done damage, dare I say, without permission, without any permits, without any right to do so, on that land and that this has caused an enormous amount of concern in the community.

The other part of this amendment relates to guaranteeing the Crown land lease termination. It is a very welcome thing for the community to have that foreshore area returned to it for its use. As I mentioned the other night, there is still confusion about who will have responsibility for that foreshore area going forward, whether it will be the City of Greater Geelong or the Bellarine Bayside Foreshore Committee of Management. Regardless of who does, the City of Greater Geelong has over the years mistakenly thought it was the committee of management for that land and thus has spent money on it. The land still needs some rehabilitation because the Port Bellarine Committee of Management, which has never met and does not exist in any real form, has not maintained that foreshore. This is again another broken obligation that was required under the act and the agreement.

With those few words, I would say that the community of Portarlinton is very pleased about this outcome. It is a win for the community. I say to Grawin that it had the opportunity to enact these rights over many years and it is now time to move on and ensure that this land is protected. It is very significant land, the foreshore area in particular. But the proposed development is now contrary to community expectations and the policy settings of this state in relation to coastal land development. I plead with Grawin to move on from this. Let us fix up that foreshore area for the benefit of the community. We support the amendments and wish them a speedy passage.

Motion agreed to.

ACCIDENT COMPENSATION AMENDMENT (REPAYMENTS AND DIVIDENDS) BILL 2012

Second reading

Debate resumed from earlier this day; motion of Mr WELLS (Treasurer).

Mr SHAW (Frankston) — I am pleased to rise to talk about the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. The purpose of this bill is to amend the Accident Compensation Act 1985 in order to enable the Victorian WorkCover Authority to repay dividends or return capital to the state.

How is that going to work? New section 33A(1), headed 'Repayment of capital', to be inserted by clause 4, states:

The capital of the Authority is repayable to the State at the times and in the amounts determined by the Treasurer after consultation with the Authority and the Minister.

The same applies to dividends. It is not just at the whim of the Treasurer, as the member for Preston said before; it is with consultation with the WorkCover authority and the minister responsible for it. I think that is pretty important.

I will now relate this to what happens in companies. Companies, whether they are small or large, pay their shareholders dividends. The Victorian government happens to be the only shareholder, if you like — for want of a better word — of the Victorian Accident Compensation Commission. Dividends are set a number of ways. They are either set by a board or at the whim of the owner in smaller businesses. An owner can choose to take out all of the profits of the business as a dividend, or they may only take out some of the profits of the business as a dividend. If they only take out some as a dividend, the leftover is called retained earnings.

In this instance the dividend will be paid from performance from insurance operations. Last year the performance from insurance operations was \$293.9 million. What we are saying is that we want to take \$147 million of that as a dividend, or about 50 per cent. Those on the other side think the world is going to fall down because of that, as they did when they thought it was never going to rain again. They think taking 50 per cent and giving it to the shareholder is not very good. You do that in business. Mining companies such as BHP do not pay that much in dividends; they have more retained earnings because they use those retained earnings to go and dig more mines. Banks pay

us a little bit more in dividends. The average for dividends for All Ordinaries Index companies is about 4.2 per cent. They pay that from retained earnings and they retain the rest. In this example we are retaining 50 per cent in the authority and 50 per cent is coming back to the shareholder, which happens to be the government. The total assets are \$10.9 billion, so a return of \$147 million is under 1.5 per cent.

It is amazing to hear members on the other side say all of a sudden that theirs is the party for small business. They say, 'Give all that money back to businesses.' They are all absolute geniuses. But I would like to remind them of what their previous federal leader, Kim Beazley, said: 'We have never pretended to be a small business party. The Labor Party has never pretended that'. Yet we hear those on the other side come out and say, 'We are the defenders of the workers, but we are also the defenders of small business'. Gee whiz, I wonder where they are in this latest debate over the carbon tax? Where have they been when businesses are screaming out saying, 'This is going to affect us; this is going to affect how we employ people.' Those opposite are job wrecking, they are business wrecking. They are following their federal counterparts and not standing up for Victoria. We have more than 500 years of brown coal in the ground and the global alarmists over there want to shut down our competitive edge.

Victoria's record in workplace safety is the best in Australia. Our workers compensation is the lowest of all the states at 1.33 per cent, so that gives us a competitive advantage.

Ms Graley interjected.

Mr SHAW — We hear the member for Narre Warren South saying, 'Thank Labor'. Australia will thank Labor for the mining tax. Victoria will thank it for the carbon tax when jobs are lost and costs increase all because of these global warming alarmists over there. While we are on that topic, how fantastic is it that this government has had the guts to say we are not going to keep that 20 per cent emissions target. That is going to save a lot of money too.

It is amazing that members of the opposition have spoken about the \$147 million dividend being a bad thing, but really that dividend would pay for about three months worth of the construction of the desalination plant. Before we get to the end of the financial year on 30 June it is going to be well more than \$147 million that Victorians will have paid for that work. It would take this government 20 years of taking out this dividend just to make up for the loss the former

government took on the sale of poker machine licences — that is, a loss of \$3 billion.

There is a passage in the Bible that talks about blind guides who strain out a gnat but swallow a camel. That is what the former government did — it strained out the little things but had no problem with the desalination plant and no problem with the myki system. However, now it is in opposition the Labor Party is saying, ‘You cannot take \$147 million from a profitable organisation’; and this is an organisation in which the government is the only shareholder. That is what members of the opposition do — they strain out a gnat and they swallow a camel. They are a disgrace. They get concerned about the little things and they sweep their big failures under the carpet. They think it is no problem and expect us to apologise for taking a dividend that rightfully belongs to the government. The opposition expects us to apologise for all these things, yet it does not apologise for its big failures, of which there have been many. It would take 10 years of the government taking this dividend to pay for the former government’s myki system, yet members of the opposition are getting concerned about this little thing.

Earlier the member for Preston said that this bill will not affect workers. That is fair enough. However, other members of the opposition have said that this bill is going to affect the workers and the sky is going to fall in. I ask members of the opposition: which one is it? Should we listen to the opposition’s lead speaker? Where does the opposition actually sit on this? Is it going to affect the workers or is it not? I say that it is not going to affect workers. The member for Preston also said that the big businesses do not pay WorkCover premiums. It is true that they do not pay WorkCover premiums, but they still contribute to WorkCover. The 30 to 40 businesses that self-insure pay an annual fee to WorkCover for audit and compliance. They may not pay premiums because they self-insure, but they still pay WorkCover. WorkCover still polices the self-insurers, which are organisations that have over 1000 employees. These organisations can apply to be self-insured, but they have to have stoploss policies, bank guarantees and occupational health and safety and internal systems in place so that workers will not be disadvantaged. They have to be financially viable, and that is why they need that bank guarantee as well.

If you look at the situation in New South Wales, which until recently had a red government, you see that the former government of that state had unfunded liabilities in its workers compensation scheme of \$4.2 billion, whereas in 2007 it was \$1.7 billion in the positive. South Australia, which has far fewer employers and employees, had \$1 billion of unfunded liabilities in its

workers compensation scheme. Queensland premiums went up by 20 per cent in 2011, and they were predominantly driven by common-law settlements. We have a system which works and which is profitable. It has been put in place to protect workers, and that is exactly what it is doing. When a profit is available, the shareholder deserves a payback, just like any other shareholder who owns shares in a company such as the Commonwealth Bank. Australia used to own shares in the Commonwealth Bank; in fact it owned all of the shares in that bank, and it used to be paid a dividend.

An honourable member interjected.

Mr SHAW — Yes, well done. I am talking about people who own shares. Members of the opposition do not know what it is like to own part of a company. It is a struggle for them, but owners of companies need to get a return for the risk they put in. Why is it fair for the opposition to say that the government should not take any money when the government takes all the risk? We underwrite the whole risk, but we get no payment for it. That is not fair. The opposition does not understand risk versus reward. The reason members of the opposition do not understand it is that most of them have never employed anyone in their lives. Members of the opposition do not know what it is like to put their houses on the line. They do not know at all. This bill will help with the deficits created by members of the opposition that have occurred as a result of the financial incompetence of the left that will continue on forever.

Ms GARRETT (Brunswick) — Once again it is a joy to follow the member for Frankston and to have heard his words of wisdom about members on this side of the house and about what is happening in other jurisdictions. It was a very selective analysis of other jurisdictions, and once again, like many members on that side of the house, he was not very keen to talk about Victoria. Perhaps members of the government could show some of that albeit slightly incoherent passion and enthusiasm in talking about Victoria, because members on that side are governing this state, although you would not know it.

It does not surprise me that once again we are standing here talking about a very serious piece of legislation and a very serious policy position of this government. The Victorian people would be stunned to learn that this is what this government is about. Before the election there was no mention of ripping the absolute guts out of the most successful scheme in the country. There was no suggestion prior to the election that instead of continuing to lower premiums, as the Labor government did in its time in office, the coalition would be embarking on a crash course of raiding the most

successful scheme in the country and directly impacting on future premium reductions at a time when, through this government's inaction and mismanagement, Victoria is going backwards in terms of job creation and backwards in terms of its standing within the Australian jurisdiction. But what has this government done? In the dead of night, without consultation with employer groups or working groups, it has raided \$500 million out of this — —

Mr Wakeling interjected.

Ms GARRETT — Is the member for Ferntree Gully taking a point of order? I would not have thought so given the member for Frankston's contribution, which was extremely wide ranging. This government is ripping the guts out of WorkCover at a time when businesses and families in this community need some vision and leadership. They do not need this government to hark back to the failed conservative policies of the past. Why should we be surprised? Everything this government said prior to the election — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Morris) — Order! The member for Brunswick will continue without assistance.

Ms GARRETT — When we look through the core range of things that state governments are supposed to be interested in and we look at what this government said prior to the election, we realise what a furphy it took to the Victorian people. It professed to care about education and said it wanted to make teachers the best paid in the country, yet it has ripped hundreds of millions of dollars out of the education budget. It professed to care about law and order and said it was going to introduce protective services officers at every station in a timely fashion, but instead we have a Minister for Police and Emergency Services who is absolutely mired in controversy and a protective services policy that is in tatters.

The government professed to care about the environment. It did not tell the Victorian people that its first moves in that area would be to slash policies, slash programs and create an ode to dirty power stations and brown coal the minute it got in. The government professed to care about open and transparent government and said it would end the spin. We have not had a minister or the Premier properly answer a question yet. The government professed to care about fairness, and instead we have had equal opportunity going backwards in this state. Most of all it professed to

care about keeping Victoria on track with job creation and looking after families. This is just one example in a long line of devastating decisions and inaction by this government. We have heard unprecedented criticism coming from business about this government's inaction and inactivity.

The budget was one of the most stuttering and unimaginative in the history of this state. The government doubled debt with nothing to show for it. It has created no infrastructure. Members of this government are the kings and queens of the feasibility study and the design competition, but we are yet to see any bricks and mortar generated by this government. Instead we see members of the government cutting ribbons on projects introduced by the previous government.

Members should not be surprised that today we are debating the butchering of the WorkCover scheme. Let us be honest, this bill and the action of this government are going to have a long-term impact on the capacity of WorkCover to lower premiums for businesses in this state that are already suffering because of the extraordinary lack of competence of those on the other side of the house. It will have an impact on workers' safety and their entitlements in the long term. It will have an impact on the preventive steps that WorkCover and WorkSafe take to ensure that we maintain the safest workplaces in this country. It is a disgrace. It has been widely condemned by business and workers. It is a short-sighted, retrograde step by this government in a long line of short-sighted and retrograde steps that in the long term are going to cost this state, cost the businesses of this state, cost the families of this state and cost the workers of this state.

The government should be ashamed, although its conduct since it got into office demonstrates it has very little shame, very little passion and very little interest in continuing to make Victoria the best state in Australia. We are going backwards under this mob. It is another step backwards. The government should be absolutely ashamed, and those in the government who should know better should be ashamed.

Mr WAKELING (Ferntree Gully) — I was waiting for the honourable member for Brunswick's contribution on the bill, but we did not actually get to that point; anyway, I am more than happy to speak about the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. It has been amazing to hear the contributions of those opposite. This is another example of the opposition flapping around, not knowing what it stands for. We had the member for Preston come into the house and, in his

contribution, talk about the fact that the bill was going to impact on workers. Then we had further tirades from members opposite saying that the sky was about to fall. I can only assume that those opposite have decided in their party room meeting to have a conscience vote, because clearly — —

Dr Sykes interjected.

The ACTING SPEAKER (Mr Morris) — Order! The member for Benalla is well and truly out of order.

Mr WAKELING — I was interested to hear the contribution from the member for Brunswick when she talked about the way in which government policy is striking at the heart of business and striking at the heart of industry confidence in this state. I was thinking that that is something I completely agree with, because I am guessing that we are all talking about the carbon tax. Those opposite clearly have no idea. I accept the fact that the member for Brunswick was not here during the last Parliament, but other members were. She talked about the fact that it is horrendous — —

Mr Herbert — On a point of order, Acting Speaker, I have been listening to the member for Ferntree Gully's contribution for some time now, and I do not see a bill before us that is about the opposition's statements. It is a specific bill, it is a serious bill, and I would ask that he be brought back to it.

Mrs Powell — On the point of order, Acting Speaker, there has been wide-ranging debate from both sides. I have listened closely to the discussion on this bill by the members opposite, and it has gone through all sorts of areas. They have not been considering the bill either.

The ACTING SPEAKER (Mr Morris) — Order! It has been a wide-ranging debate, but some passing relevance to the bill would be welcome. I do not uphold the point of order.

Mr WAKELING — Unlike the previous speaker I will not be talking about protective services officers. I find it hypocritical and amazing that we have an opposition that is standing up in this house and talking about the horrendousness of a government taking money out of a government business enterprise. If it were so horrendous for a government to take a dividend from a government business enterprise, I would have thought those opposite would have stood in this house and called upon their government to stop taking dividends out of other government business enterprises — out of water boards and all the other government business enterprises their government took money out of.

If it is so abhorrent for dividends to be taken out of government business enterprises, then those opposite, who had the opportunity over 11 years to stop their government taking dividends out of government business enterprises, would have taken the opportunity and would have stood in this house to call for that to be stopped. But no — what did they do? They sat on their hands and said nothing, because they knew that their government was taking dividends out of government business enterprises and using that money for consolidated revenue.

I simply ask the question: what is the difference between what we see in the bill before the house and what occurred with other government business enterprises? I find it hypocritical that those opposite stand in this place and talk about how it is abhorrent for a government to be taking a dividend out of a government business enterprise when they had every opportunity to call upon their government to not take money out of government business enterprises. They could have done it through members statements, adjournment matters or substantive motions. We know what the answer to the question is, because when they had the opportunity to stop such an exercise they did not take up that opportunity.

There is nothing extraordinary about this bill compared to what we have seen occur with other government business enterprises that operate within the state. This is a bill which will allow the Treasurer to make a dividend and a repayment of capital determinations after consultations with the Victorian WorkCover Authority and the responsible minister, and it has regard to the VWA's funding position. I ask a simple question: how is that different to the situation with other dividends that are paid by government business enterprises? How is that in any way different to the operation of water boards? If it is so bad and so abhorrent for governments to take dividends out of other government business enterprises, then naturally those other government business enterprises would have gone belly up. They would of course have fallen apart, and they would not be operating anymore. As we have heard from the member for Brunswick and others opposite, this proposed piece of legislation is going to be the end of the VWA. It is going to be the end of the scheme; the scheme is going to disappear, and workers will no longer have any protection. That is what we just heard from those opposite, and I can only say that if that is the nature of the bill, then every other government enterprise where a dividend has been extracted would naturally have suffered the same fate.

We in this place all know from the annual reports that are tabled in this place that that is not the case. Those

opposite are just sitting there trying to come up with an argument, and clearly they do not understand the position the member for Preston has put. The member for Preston in his contribution actually said this was not going to impact on workers. I can only assume that his position either was not advised to members during their party room meeting or other members did not take the opportunity to listen to his contribution. Regardless, the reality is that this piece of legislation will allow the minister, via consultation with the VWA, to have access to a portion of its revenue in the form of a dividend, and the dividend we are looking at is upwards of \$147 million.

There is nothing different in this legislation from what happens with other government-owned enterprises. This is exactly what happens with other government-owned enterprises. All that is happening, as the member for Preston rightly pointed out, is that the only shareholder in the VWA, the state government, at the end of the day — —

Mr Foley interjected.

The ACTING SPEAKER (Mr Morris) — Order! The member for Albert Park is well out of order.

Mr WAKELING — I would be pleased to take up his contribution, but I do not know that he is talking about the bill at hand.

The bill before the house is very simple. The bill before the house is very logical. The bill before the house is going to have no impact on the protection of employees when it comes to the operation of the VWA. We will still be sitting in this house in 12 months time and in 2 years, 3 years and 4 years from now, and I will be waiting to hear contributions from those opposite explaining how this piece of legislation caused the demise of the VWA, how VWA disappeared off the face of the earth as a consequence of this piece of legislation. We all know that those opposite will not be in a position to say that.

I would be more than happy to remind those opposite that after this piece of legislation is passed by the Parliament — and rightly so — the VWA will continue to operate in the form that it has been. It will continue to provide the protection for employees that it always has, and it will continue to be the leader in this nation in terms of protection for employees. Yes, those opposite did manage the scheme, and congratulations on their management of it. This piece of legislation is not going to impact on the continued operation and continued success of this scheme. The scheme has operated

effectively in this state for many years and will continue to do so. This piece of legislation will not affect that.

Mr TREZISE (Geelong) — I rise to my feet today very concerned about the bill we have before us. I am only going to talk for a couple of minutes, mainly because we have numerous members on this side of the house who have been out on the front steps of the Parliament, supported by the thousands of workers who are out on the front steps, totally opposed to this bill, and I note with great concern that there was not one member of the government out there.

An honourable member — The Speaker was.

Mr TREZISE — The Speaker was out there — there you go! I am prepared to speak against this bill — —

Mr Foley interjected.

The ACTING SPEAKER (Mr Morris) — Order! If the member for Albert Park does not desist, I will ask the Speaker to return.

Mr TREZISE — I am concerned, like other members on this side of the house, not only that this will rip more than \$470 million out of the workers compensation scheme but also that this is happening at a time when jobs in companies such as Alcoa and Qantas in regional areas like my seat of Geelong are at great risk. This government finds time to introduce this type of legislation into the house instead of coming to Geelong and to Alcoa and Qantas, rolling up its sleeves and supporting those workers. The Premier should be down in Geelong with his sleeves rolled up and talking to workers at Alcoa and Qantas and looking to save those jobs, not introducing legislation into this house that rips millions of dollars — more than \$470 million — out of the Victorian WorkCover Authority (VWA). He should be looking after and supporting workers right across the state, including in my seat of Geelong.

In a former life I had the privilege of working as a health and safety inspector for the old Department of Labour and Industry, and in that job I inspected dozens, if not hundreds, of incidents where workers were involved in horrendous accidents at their work. In doing that not only did we inspect and investigate those accidents but we also spoke on many occasions to employers. Those employers did not particularly like paying their WorkCover premiums, but at the same time employers, especially small employers, understood that that money was going into the VWA, so they accepted that and they understood that that

money would be spent supporting injured workers and their families.

Money should not be ripped out of the authority. If there is a surplus, that money should be used to promote workplace health and safety in Victoria, not to prop up a lazy, antiworker government or an ineffective Treasurer. The money we are talking about today, \$470 million, should be used to promote health and safety in Victoria workplaces. It is an absolute disgrace that we are even here debating this bill today.

The member for South Barwon, for example, and the member for Rodney should have been out on the front steps today supporting workers who came from Geelong, but they were not. Quite frankly I was proud to be out there with dozens of members on this side, opposition members, who were prepared to go out there and support the workers of Victoria. Having said those few words, I am proud of the fact that we are vehemently opposing this bill. I am proud of the fact that members around me — and I look around this entire house — were out on the front steps today supporting Victoria's workers. There were none — —

Ms Green interjected.

Mr TREZISE — That is right; there are hardly any government members in the house at the present time because they are not interested in Victorian workers rights, but I am pleased and proud that we are vehemently opposed to this legislation.

Dr SYKES (Benalla) — It gives me great pleasure to join the debate on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. We have heard a debate of two contrasting approaches: on this side of the house, by way of example, the members for Rodney and Frankston have presented a soundly based argument, identifying the basis of this piece of common-sense legislation; from the other side of the house we have heard fanciful presentations by members who are clearly out of touch with reality. There have been inconsistencies in the presentations of opposition members, as members on this side of the house have highlighted.

The basis of the Accident Compensation Amendment (Repayments and Dividends) Bill 2012 — that is my passing reference to the bill, Acting Speaker — is that it provides for payment of dividends with built-in safeguards. Further, the bill provides for consistency in the receipt of dividends from government enterprises. The Transport Accident Commission and the water authorities, for example, pay dividends, as has been

enunciated by members opposite. In fact as I recall, under the previous government when in northern Victoria there was an issue with a drought and country people were hurting, there was not a lot of water available to generate income for Goulburn-Murray Water, one of the water authorities. I understand that in order to meet the Labor government's requirement that the authority pay a dividend GMW had to actually borrow money — so opposition members should not be telling us how to manage the show!

The other basic principle underlying this piece of legislation is that the government of the day underwrites the risk. It is fair and reasonable that he or she who takes the risk should have an entitlement to that risk being offset by a dividend. That is an absolutely fundamental principle of business — something that people on this side of the house get but that people on the other side of the house do not get.

This bill provides safeguards. As other members on this side of the house have identified, in dealing with the repayment of capital, the bill provides that the capital is repayable to the state at the times and in the amounts determined by the Treasurer after consultation with the authority and the responsible minister. Section 33A(2), which is inserted by clause 4, stipulates that in making a determination the Treasurer must have regard to any advice that the authority has given to the Treasurer. It is not a case of 'if', 'might' or 'may'; the Treasurer must heed that advice. Similarly, under new section 33B, also inserted by clause 4, in determining the dividend policy that applies to the authority the Treasurer must have regard to the solvency margin.

The bill uses the words 'must' and 'solvency'. Do we need to think about solvency? Those on that side of the house were heading the state into insolvency. Under their government the rate of expenditure each year exceeded the rate of income to the point where the Auditor-General said that that method of management was unsustainable. I repeat: the Victorian Auditor-General said that the Labor government was heading Victoria towards insolvency. For members on that side of the house to suggest that this piece of legislation is not sound and not logical when in fact it has built-in safeguards to protect solvency indicates that they do not get it.

Just looking at the issue of solvency and not getting it, I note the comments made by previous members on both sides of the house in relation to the issue of solvency and mismanagement. I think the member for Ivanhoe spoke about the quantum of the dividends — \$147 million a year or about \$500 million over four years. What about the desal plant that is costing

\$2 million a day? I think \$147 million divided by 2 would represent about 70 days of financial mismanagement in the form the desal plant, which would pay the dividend — —

Mr Herbert — On a point of order, Acting Speaker, there has been a wide-ranging debate on this bill, but we are now so far away from the bill that it would be ludicrous to say that the member's comments relate in any way to any of the provisions of the bill. I ask you to bring the member back to the bill.

Mr Weller — On the point of order, Acting Speaker, it has been a wide-ranging debate. The member for Lara strayed far and wide in his contribution. We have heard talk of Alcoa and other things from the member for Geelong. I believe the member for Benalla is within the bounds of the wide-ranging debate so far.

The ACTING SPEAKER (Mr Morris) — Order! I do not uphold the point of order, but I urge the member for Benalla to at least make a second passing reference to the bill as quickly as possible.

Dr SYKES — I will take the advice of the Acting Speaker and remind members that we are discussing the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. I was referring to clause 4, which inserts new section 33B, which states that in determining the dividend policy that applies to the authority, the Treasurer must have regard to the solvency margin determined to maintain the long-term financial viability of the accident compensation scheme. That is a safeguard to protect the solvency of this authority. I was in the process of explaining how it was hypocritical for members on the other side of the house to cast doubt about the application of this bill when they could not address the adequate management of the state and were putting the solvency of the state at risk. I know that other members have touched on other threats to the solvency of the state caused by the previous government.

The other point that was made by speakers on this side of the house was the inconsistency among the rabble on that side of the house. The member for Preston, the lead speaker for the opposition, to a large extent gave a measured, factual presentation with a bit of philosophy thrown in. He made it clear that this legislation would not impact on the entitlements of injured workers. I repeat: the member for Preston said that this would not impact on the entitlements of injured workers. Other members — perhaps from different factions; perhaps from different planets; I do not know — got up and ranted and raved about the coming of the end of the

world, completely ignoring the clause that says, and I will repeat it one more time, 'the Treasurer must have regard to the solvency margin'. There is the protection.

It has been an absolute thrill for me to participate in this debate and to engage with the rabble on the other side — —

Mr Weller interjected.

Dr SYKES — As I pick up the interjection from my colleague the member for Rodney, I conclude by saying that the public of Victoria voted the Labor Party out in 2010, the public of New South Wales voted the Labor Party out in 2012 and the Queenslanders have done the same. The message is that Australians have elected coalition governments to fix the mess!

Mr Herbert — On a point of order, Acting Speaker, I have raised this point before — —

The ACTING SPEAKER (Mr Morris) — Order! The member's time has expired in any case.

Mr FOLEY (Albert Park) — In the short time I have to speak before the lunch break I note that if this were not such a serious matter, the shameful contributions of government members might almost be funny — but this is the most serious of matters. Frankly, we have now seen why the Treasurer is the Treasurer; he must be the smartest and most economically literate member of the government, because the contributions from the members for Benalla, Ferntree Gully and Frankston have illustrated an appalling level of ignorance in terms of how the Victorian government manages its enterprises. The government created a straw person, and then knocked it down. It tried to equate commercial trading enterprises operating for profit — which the coalition government largely set up in the 1990s, in the Kennett era — with for-purpose entities.

The ignorance of those opposite is staggering. It is either blind ignorance or wilful ignorance, but I suspect it is the latter. I suspect they know in their heart of hearts that the bill is a cash grab on a for-purpose organisation — an organisation that is designed to make workplaces safe — —

Dr Sykes — On a point of order, Acting Speaker, as has been indicated, it has been a wide-ranging debate, but I cannot recall the member for Albert Park actually touching on the bill. I ask you to call him to speak on the bill.

Mr FOLEY — On the point of order, Acting Speaker, we are talking about a government

organisation and a cash grab for it; I am talking about the Victorian WorkCover Authority. If the member for Benalla is unable to join the dots, then that is a reflection on him.

The ACTING SPEAKER (Mr Morris) — Order! Up until that last comment, I was not inclined to uphold the point of order. I still will not uphold it, but that last comment went way over the line. I do not uphold the point of order because the member for Albert Park was responding to issues that were raised during the course of the debate. I am confident that they were part of the discussion of the bill. However, I think it is now an appropriate time to break for lunch.

Sitting suspended 1.00 p.m. until 2.03 p.m.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Casey Hospital: future

Mr ANDREWS (Leader of the Opposition) — My question is to the Premier. I refer the Premier to his statement that he is ‘not shy’ about the prospect of privatising Victorian public assets, and I ask: will the Premier categorically rule out the privatisation of Casey Hospital?

Mr BAILLIEU (Premier) — I think this is an example of where the opposition has got to. No-one has made any suggestion about the privatisation of Casey Hospital, apart from the Leader of the Opposition.

Mr Andrews interjected.

The SPEAKER — Order! The Leader of the Opposition has asked his question.

Mr BAILLIEU — The Leader of the Opposition has engaged and is engaging in a campaign to scare people.

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition will not be warned again. He has asked his question.

Mr BAILLIEU — As I said, no-one has made any suggestion to that effect other than the Leader of the Opposition.

Carbon tax: health sector

Mr WAKELING (Ferntree Gully) — My question is to the Premier. Can the Premier advise the house of how Labor’s carbon tax will affect the cost of running health and hospital services in Victoria?

Mr BAILLIEU (Premier) — Our concern with the carbon tax has for some time been the impact it would have on industry, jobs, regions and on particular sectors. The concern is also with the level of compensation that may or may not be available, and of course the timing. Based on current electricity usage the cost to Victoria’s public hospitals of the increase caused by the carbon tax between now and 2020 is significant and not adequately compensated for by the commonwealth. That is a fact.

For example, in the first two years of the operation of the carbon tax the estimates show the impact will be over \$13 million and over \$14 million in the second year of operation.

Honourable members interjecting.

The SPEAKER — Order! The member for Yan Yean.

Mr BAILLIEU — The important thing to understand is that there is no compensation for that. It is interesting that some people have remained silent about that. I wonder who they might be.

The federal minister for climate change has not taken any account of these impacts. He said on 8 March on 3AW:

... you are looking at an increase in the hospital costs of 0.2 per cent to 0.5 per cent — that’s the facts.

There is no compensation whatsoever. Every hospital ward will be affected, as will every hospital heating system and every hospital air-conditioning system. There will be costs, and growth in Victorian public health-care services will be slower unless compensation is provided by the commonwealth.

Compensation is not being provided, and that has been our concern: the impact on industries, on jobs, on regions and on institutions — and there is a significant impact. That impact is clear in regard to hospitals, and it is also clear there is no compensation. So who will pay the bill? Will it be the Leader of the Opposition? I suspect not; he has been silent on these issues — absolutely silent. One thing is — —

Honourable members interjecting.

The SPEAKER — Order! The house will come to order. The level of interjection is far too high.

Mr BAILLIEU — One thing is certain: there is no compensation, and this is going to hurt many businesses and institutions. That will include private hospitals, it will include not-for-profit bodies, it will include the ambulance services — additional costs, uncompensated — and the silence of some about that — —

Mr Andrews — Who did that modelling?

Mr BAILLIEU — It fascinates me that the Leader of the Opposition does not want to believe there is going to be a cost.

The SPEAKER — Order! The Premier will go back to the answer.

Mr BAILLIEU — It is always a pleasure to respond to an interjection by the Leader of the Opposition when he says there is going to be no cost.

The SPEAKER — Order! The Premier should ignore interjections.

Mr BAILLIEU — The bottom line is that this is going to have an impact, this is going to be uncompensated and it could not come at a worse time. I refer you to the front pages of today's newspapers, Mr Speaker. The federal Treasurer has now recognised that he is going to have to — —

Ms Green interjected.

Questions interrupted.

SUSPENSION OF MEMBER

Member for Yan Yean

The SPEAKER — Order! The member for Yan Yean can leave the chamber for 30 minutes.

Honourable member for Yan Yean withdrew from chamber.

QUESTIONS WITHOUT NOTICE

Carbon tax: health sector

Questions resumed.

Mr BAILLIEU (Premier) — The federal Treasurer is coming to grips with his budget realities, and he is

now coming to grips with the fact that his carbon tax will not compensate hospitals in this state and other states. The only person who has not come to understand that is the Leader of the Opposition.

Minister for Police and Emergency Services: conduct

Mr MERLINO (Monbulk) — My question is to the Minister for Police and Emergency Services. Does the minister deny that following a meeting between Tristan Weston and Sir Ken Jones the minister commended Mr Weston, telling him, and I quote, 'Job well done'?

Mr RYAN (Minister for Police and Emergency Services) — I thank the member for his question. This again relates to a report which was tabled in the Parliament some six months ago. That report, an extensive document which took months to compile, was the work of the Office of Police Integrity. Coercive powers were used, 20 witnesses were investigated and the report was subsequently tabled. The opposition has an absolute fascination around the — —

Mr Merlino — On a point of order, Speaker, the minister has had plenty of time to answer this simple question. My point of order is that the minister is not being relevant to the question. Does he deny saying to Tristan Weston, 'Job well done', or not?

The SPEAKER — Order! This is not an opportunity to ask the question again. I do not uphold the point of order. The answer was relevant to the question asked.

Mr RYAN — The member raises the situation with regard to Mr Weston. As the report amply demonstrates, there are matters outstanding concerning Mr Weston, and the last thing I think any of us ought to be doing is commentating around this report and its implications insofar as the matters pertaining to that gentleman are concerned. He is entitled to presumptions which go with his situation, and that ought to be respected. In terms of the matter which is put to me, no such conversation occurred.

Carbon tax: Latrobe Valley

Mr WELLER (Rodney) — My question is to the Deputy Premier and Minister for Regional and Rural Development. In light of recent reports outlining future risks to jobs in the Latrobe Valley from Labor's carbon tax, can the minister advise what the coalition government is doing to secure these jobs?

Mr RYAN (Minister for Regional and Rural Development) — I thank the member for his very

relevant question. Last week marked 100 days until the introduction of the Gillard Labor government's carbon tax — a tax which is supported by the state Labor opposition. This tax is a threat to jobs right across the state of Victoria, particularly in regional and rural Victoria, but the epicentre of the threat in relation to the application of the carbon tax is the area of the Latrobe Valley.

Last week our government released a report prepared by Victoria University which assesses the impact of the carbon tax on the Latrobe Valley. The findings in that report are most significant. The key finding of the report concerns the magnitude of the adjustment task in the valley following the introduction of the carbon tax. The report finds that the carbon tax will be 'larger and more complicated than anticipated by the commonwealth'.

The report found that 15 per cent of total employment in the Latrobe Valley is directly attributable to the coal-fired electricity industry. However, even this understates the industry's importance to the valley's economy, because the report also found that the industry accounts for almost 26 per cent of the valley's wages. That is an absolutely compelling figure. Under the commonwealth's Contract for Closure program one or more of the valley's generators will probably close. In the absence of offsetting measures, this will have a devastating impact upon the Latrobe Valley.

The Victoria University report also describes the assistance which has been set aside by the commonwealth to date to assist the regions affected as being 'modest'. So it should say that, in that a figure of \$200 million has been allowed by the commonwealth over a period of seven years for these purposes.

Our coalition government recognises this threat to the Latrobe Valley, and we are investing in three main areas within the region. We have a \$10 million Latrobe Valley Industry and Infrastructure Fund. This was the source of the \$1.5 million recently provided to Latrobe Regional Airport. That in itself secured 120 jobs and another 140 jobs at GippsAero. Secondly, a skills and training element of the Latrobe Valley Advantage Fund will in turn provide additional support to workers in the valley who are seeking to retrain or upskill. Finally, in this context we are developing sustainable energy research, with \$217 000 made available late last year to assist with the establishment of a pilot-scale geothermal energy plant in the region.

Despite fundamental policy differences with the federal government in relation to this, we are attempting to do what we can to work with it to try to assist with this

transition, because both our governments recognise there are going to be significant impacts in the valley. A memorandum of understanding has been signed between our government and the federal government. Even though this tax is now less than 100 days away, the hard, practical reality is the commonwealth has not provided any targeted regional development fund for the Latrobe Valley.

There are a number of programs it can be involved in. The growing aerospace manufacturing facility at Latrobe Regional Airport, and I have already referred to that, and further growth of the GippsAero aircraft manufacturing facility are vitally important. There is the Gippsland Gateway project based at Warragul, and assistance can be made available through research and innovation. The commonwealth needs to step up to the plate. Now is the time.

Carbon emissions: reduction strategy

Mr ANDREWS (Leader of the Opposition) — My question is to the Minister for Environment and Climate Change. I refer to the minister's statement on Tuesday that the government's strategy to reduce carbon pollution includes 'putting money towards beaches and that sort of thing'. Can the minister outline which beach initiatives will cut Victoria's carbon emissions?

Mr R. SMITH (Minister for Environment and Climate Change) — Is it not ridiculous that the opposition would take this out of context again? What I was asked at the time was what money was going towards the environment in the environment portfolio, which I answered. Certainly that was the issue, and that interview came about as the result of the handing down of the review into the Climate Change Act 2010. And while we are on the subject of jobs during this question time, I would just like to reiterate the fact that —

Honourable members interjecting.

The SPEAKER — Order! Points of order will be heard in silence.

Mr Andrews — On a point of order, Speaker, I appreciate the minister does not get many questions, but the question did not relate to employment. The question related to his quote about carbon pollution being reduced by action on beaches 'and that sort of thing'. Could you acquaint the minister with his responsibilities in this place?

The SPEAKER — Order! I do not uphold the point of order. The minister should get back to answering the question.

Mr R. SMITH — Is it not interesting that the opposition — —

The SPEAKER — Order! The minister will answer the question.

Mr R. SMITH — When the opposition was in government its approach to — —

Mr Andrews — On a further point of order, Speaker, the minister's answer is not in keeping with the customs of this house or the standing orders. This is not an opportunity to talk about the opposition. The question was about his quotes as a minister of the Crown, and he ought to account for them, not run a commentary on everybody except himself.

The SPEAKER — Order! I ask the minister to come back to answering the question that was put to him.

Mr R. SMITH — Certainly, Speaker.

Mr Andrews — You're out on the beach, I reckon.

The SPEAKER — Order! The opposition leader will be out on the beach in a minute.

Mr R. SMITH — The question asked during the interview was in regard to issues around my environment portfolio, and I answered it. Certainly this government is not about reducing emissions through targets that are not going to achieve anything, that are going to cost Victorians \$2.2 billion, that are going to do nothing towards reducing emissions on a national level. We are certainly not going to do programs that encourage people to grow tomatoes and mulch things, which the previous government spent millions and millions of dollars on. This government is about delivering tangible outcomes at the least cost to Victorians. We are running a responsible government, and that is what we will continue to do.

Carbon tax: schools

Mr SOUTHWICK (Caulfield) — My question is to the Minister for Education. Could the minister advise the house of how Labor's carbon tax will affect the cost of educating Victorian students?

Mr DIXON (Minister for Education) — I thank the member for Caulfield for his question and also for his great leadership in education here in Victoria in his electorate. As we heard from the Premier, Labor's taxes and mismanagement are costing Victoria jobs and a lot of income. Labor's carbon tax from Canberra, from our good friend the Prime Minister, could not come at a

worse time for the Australian community, for the Victorian community and for Victorian education. The compensation that is being offered is certainly not enough for families or businesses, and there is not one cent of compensation for any education facility here in Victoria.

Even based on a conservative estimate of a 10 per cent impact on utility costs in Victoria, every single Victorian school is going to take quite a hit. Our estimate — and this is a conservative estimation — of the cost of this carbon pricing on utilities in government schools is \$4.2 million in the first year and rising in the years after that. There will be a cost not only in government schools but also in non-government schools. We conservatively estimate that this will cost non-government schools \$2 million. A conservative estimate of the total cost to Victorian education in the first year is \$6 million, with absolutely no compensation for those schools.

This is going to affect every single school. It is going to affect every single classroom. It is going to affect every single program in every school in Victoria. As I said, as well as the immediate costs, there will be an additional indirect cost to Victorian schools associated with the purchase of goods and services — —

Mr R. Smith interjected.

Mr DIXON — And, as the Minister for the Environment and Climate Change says, for what purpose? We are not going to see any improvement at all in education or jobs in Victoria. This impost on our schools will be on top of the 20 per cent cut in maintenance that schools had to endure under the previous government — the \$300 million maintenance backlog that we have had to endure.

Talking about utilities and the costs to schools, under the previous government the Building the Education Revolution mess that we inherited actually cost Victoria. We have had to chip in an extra \$37 million to cover the cost of the utilities in BER buildings — something that the previous government just signed up to willy-nilly. Every business, every supplier, every service provider, every school bus service will be hit by this tax, and the costs will be borne by Victorian schools, by Victorian students and by Victorian families. This is the everyday reality of Labor's carbon tax on Victorian education.

We are not going to stand back and let the Gillard federal government's carbon tax impact on families and impact on education to such an extent. We are standing up for Victorian families. The Victorian ALP should

stand up for Victorian education too. Labor members are certainly not doing that. They are totally silent on this. They are Labor members first and Victorians second. They should stand up. We on this side of the house are standing up for education, we are standing up for all Victorian schools and we are standing up for all Victorian families and all Victorian students.

Carbon emissions: reduction strategy

Ms NEVILLE (Bellarine) — My question is to the Minister for Environment and Climate Change. I refer to the minister’s statement in relation to a question on carbon emissions that ‘putting money towards beaches and that sort of thing’ will reduce Victoria’s carbon emissions. Can the minister outline how many tonnes of carbon pollution will be reduced as a result of these initiatives?

Mr R. SMITH (Minister for Environment and Climate Change) — Once again I reject the premise of the question from the member for Bellarine. The fact of the matter is that the question I took during the interview related to my portfolio, and I answered it in that regard.

Ms Hennessy — On a point of order, Speaker, standing order 58 requires the minister’s response to be factual. In the press conference the minister was asked about climate change and his answer related to ‘beaches and that sort of thing’. For him to attempt to recharacterise his response is in breach of standing order 58, and I ask that you enforce that standing order.

Dr Napthine — On the point of order, Speaker, we have seen another politically motivated frivolous point of order from the member for Altona. If you look at the clock, Speaker, the minister has been speaking for barely 15 seconds in response to the question. It is absolutely appropriate for the minister to reject the premise of the question. That is absolutely the minister’s prerogative; that is the minister addressing the question. He is being factual, succinct and relevant to the question, and I ask you to reject this frivolous and politically motivated point of order.

The SPEAKER — Order! I do not uphold the point of order. I ask the minister to return to answering the question.

Mr R. SMITH — The interview covered a range of issues in my portfolio, and I answered those questions.

Carbon tax: public transport

Ms MILLER (Bentleigh) — My question is to the Minister for Public Transport, and I ask: can the

minister outline to the house how Labor’s carbon tax will affect public transport users in Victoria?

Mr MULDER (Minister for Public Transport) — I thank the member for Bentleigh for her question and for her strong interest in public transport. Every Victorian who uses public transport would have every right to be very concerned about the Gillard federal government’s carbon tax and its impact on public transport into the future. When we came to government we made a very strong commitment in relation to investment in public transport.

Very recently there was an article on our \$353 million blitz from May to May on upgrading the network. That includes asset renewal and maintenance; seven new trains on their way out of an order that will come in our second term of 40 trains; grade separations in Mitcham and Springvale Road; two grade separations in Sunshine that were ripped out of that project by the Labor government; \$160 million for country roads and bridges; \$142 million to repair flood-damaged roads and country rail; hoon laws; protective services officers; the P Driver project; and the list goes on. We do not want to see that damaged. We do not want to see that investment tampered with by a cruel Labor tax: a carbon tax that will have an impact on public transport.

We are already dealing with issues in relation to the bungled desalination plant, the bungled myki project, the digital train radio system and IT projects. To tip on top of that this cruel carbon tax would have an impact on public transport; there is no doubt about that. The department’s advice to me is that over the fixed period from 2012–13 to 2014–15 it would cost our department \$48 million. For \$48 million you could do a major road duplication in Narre Warren South — that is, if we had the money and it was not taken out in a tax. You could put eight new trams on the network in Brunswick and Preston.

If you have a look at the key inputs that are going to be affected by this carbon tax in the public transport portfolio, you see that these include steel, concrete and electricity, which will affect the cost of running the services — that is, the sleepers, the bridges, the rails and the signals. The costs of all those inputs are going to go up as a result of this carbon tax. For \$48 million you could buy 194 000 concrete sleepers. They could stretch from Southern Cross station to Castlemaine and Bendigo West. You could sleeper that entire corridor. There would be enough sleepers to re-sleeper four tracks 30 kilometres from Bourke Street to an electorate office in Noble Park. You could do it four times over.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order. The minister is having to scream to be heard, and I know that a number of other people in here are screaming so that he cannot be heard. I ask the house to come back to order.

Mr MULDER — That \$48 million could pay for 160 kilometres of shared cycle and pedestrian paths — and I know that the member for Pascoe Vale has been lobbying for pedestrian paths and cycling paths in her electorate. That is where that money could have gone. When you look around this chamber, you realise there is no doubt that there are new, enthusiastic and ambitious young members of Parliament who have turned up. Here they all are. You have got them here from Niddrie, Ivanhoe — —

The SPEAKER — Order! I ask the minister to return to answering the question.

Mr MULDER — Members in this house would know what it is to look down on tired, worn-out old sleepers. They know they should be rooted up and thrown out on the scrap heap. They know there should be a sleeper replacement program in Essendon. Essendon needs a sleeper replacement program.

The SPEAKER — Order! The minister has finished his answer and will resume his seat.

Carbon emissions: reduction strategy

Mr ANDREWS (Leader of the Opposition) — My question is to the Minister for Environment and Climate Change. I put it to the minister that the question put to him was: what programs are still in place to ensure that you — that is, the government — reduce greenhouse gas emissions? In light of that, I simply ask: would the minister like to rethink his earlier answer?

Mr R. SMITH (Minister for Environment and Climate Change) — I thank the Leader of the Opposition for his question. Isn't it a measure of the opposition when its members can spend three questions in question time on an answer given in a doorstep!

Honourable members interjecting.

The SPEAKER — Order! Again I ask the house to come to order.

Mr R. SMITH — Three questions in question time on an issue that was brought up during a doorstep! Isn't it wonderful that they cannot criticise any policies of the government; they cannot criticise any of the ministers behind me or any of the members of the government!

Mr Andrews — On a point of order, Speaker, the question was very simple, and it is an opportunity for the minister to perhaps correct the record, given his loose answer earlier and his attempts to verbal the media. It is not an opportunity for him to attack the opposition. I ask you to again remind him of his responsibilities under the standing orders.

The SPEAKER — Order! I do not uphold the point of order. I ask the minister to come back to answering the question.

Mr R. SMITH — In the context of the doorstep, I answered the question as I heard it.

Carbon tax: energy prices

Mr TILLEY (Benambra) — My question is to the Minister for Energy and Resources. Can the minister advise the house of how Labor's carbon tax will affect electricity and gas prices paid by Victorian families and businesses?

Mr O'BRIEN (Minister for Energy and Resources) — I thank the member for Benambra for his question and for his interest in the impact of the carbon tax on the cost of living of Victorian families and businesses. It is interesting to note that since Labor Prime Minister Gillard uttered those immortal words, 'There will be no carbon tax under the government I lead', on 16 August 2010, there have been three state elections. All three state elections saw incumbent Labor governments tossed out of office, most recently and most emphatically — —

Mr Nardella — On a point of order, Speaker, I ask you to bring the minister back to government business.

The SPEAKER — Order! I ask the minister to come back to answering the question.

Mr O'BRIEN — Since those words were uttered about the carbon tax we have lost three Labor governments across the country, because Australian families and businesses are under cost of living pressures. Good governments should reduce the pressures; bad governments make them worse. That is why the Baillieu government extended the energy concession from 6 months of the year to 24 hours a day, 7 days a week, 365 days a year. We doubled that energy concession for vulnerable Victorian families.

By contrast, federal Labor is introducing a carbon tax that will cause a major rise in electricity and gas bills for Victorian families. We are told by none other than the federal government itself that around eight million households will be taxed more than they will be

compensated, so the compensation is just completely inadequate. This could not come at a worse time, because Victorian businesses will also be sluggish with higher energy bills, and this will have direct impacts on consumer prices and jobs. The federal Treasury's own modelling shows that Victoria will be hit first and hardest under Labor's carbon tax and that will be from the introduction of the carbon tax right out until about 2038 — and these are the federal Treasury's own figures.

Commonwealth Treasury's own figures also show that Labor's carbon tax will result in an immediate 10 per cent increase in electricity prices and a 9 per cent increase in gas prices in the first year of the tax alone. What does that mean for ordinary Victorian families? You would think that would be a key consideration of the Gillard Labor government when it formulated this tax, but 3AW listeners on 8 March were subjected to an exhibition of just how out of touch the federal Labor government is when it comes to energy bills. The federal Minister for Climate Change and Energy Efficiency, Greg Combet, was asked by Neil Mitchell about the impact of the carbon tax — —

Mr Nardella — On a point of order, Speaker, this is about Victorian government business. The minister is talking about federal government ministers and those types of matters, and I ask you to bring him back — —

Mr Hodgett interjected.

Questions interrupted.

SUSPENSION OF MEMBER

Member for Kilsyth

The SPEAKER — Order! The member for Kilsyth can leave the chamber for half an hour. He has been told before that points of order will be heard in silence.

Honourable member for Kilsyth withdrew from chamber.

QUESTIONS WITHOUT NOTICE

Carbon tax: energy prices

Questions resumed.

Mr Nardella — Speaker, I ask you to bring the minister back to answering on Victorian government business.

Dr Napthine — On the point of order, Speaker, the minister is being absolutely relevant to Victorian government business. He is speaking up for Victorian families who face these higher energy costs. He is the minister for energy, he is responsible for the delivery of gas and electricity services in this state and he is talking about the impact of a federal Labor carbon tax — as espoused by the federal minister responsible — on energy costs and energy bills for ordinary Victorian families and ordinary Victorian businesses. That is absolutely relevant to the question asked.

The SPEAKER — Order! I have heard enough on the point of order. I do not uphold the point of order raised by the member for Melton. The answer was relevant to the question that was asked, which was in regard to the carbon tax.

Mr O'BRIEN (Minister for Energy and Resources) — So here is Greg Combet, the federal minister for climate change, on the Neil Mitchell program on 8 March. He was asked about the impact of the carbon tax on average household energy bills:

I wouldn't know what the average power bill is ...

He is so out of touch and Labor is so out of touch they have no idea what they are doing and the impact they are going to have on ordinary Victorian families. What an embarrassing performance.

For Mr Combet's benefit, in Victoria the average electricity bill for a home that has gas is about \$1200 a year, and it is \$1700 a year for a home without gas. Based on the commonwealth Treasury's own estimates, we are talking about a hike of between \$120 and \$170 a year on electricity bills. Residential gas customers will pay an additional \$81 a year, and, as the federal Treasury says, about 8 million households across Australia will not get adequate compensation for this tax. The only thing we hear from members on the other side is silence about why they will not stand up for Victorians instead of looking after their federal Labor mates.

Mr Nardella — On a point of order, Speaker, it is not government business when the minister refers to matters in that way, and I ask you to have him return him to answering on government business.

The SPEAKER — Order! Has the minister finished his answer?

Mr O'Brien — Yes.

The SPEAKER — Order! The minister has finished his answer, and the time for questions has also finished. We will return to the government business program.

ACCIDENT COMPENSATION AMENDMENT (REPAYMENTS AND DIVIDENDS) BILL 2012

Second reading

Debate resumed.

Mr FOLEY (Albert Park) — Prior to the luncheon adjournment when the member for Mornington was in the chair I was in the process of having to explain to government speakers who contributed to the debate, due to their appalling lack of understanding of the basic mechanisms of government, the differences between state-owned enterprises that operate on a commercial basis having a direct opportunity and legislative obligation to return a profit to the state and therefore return a dividend to the state and entities such as the Victorian WorkCover Authority that are designed for a specific purpose and are therefore treated differently. If that were not so, there would be no need for this bill.

This bill is all about seeking to design a mechanism that enables the Baillieu-Ryan government to raid the reserves of an authority that has operated in a fundamentally entrenched position since the 1990s. That authority's reserves exist for a specific purpose: to make workplaces safe in a way that reduces injuries to workers and efficiently manage the workplace compensation system.

At least the member for Ferntree Gully acknowledged that under the Brumby and Bracks governments the WorkCover Authority was well run — that was a welcome statement of fact by a member opposite. The fact that that well-run and well-financed entity has been able to deliver competitive rates of compensation for workers, return common-law rights and decrease workplace accidents in Victoria as well as manage competitive premiums for employers is a significant achievement. Yet no more than 15 months into its term of office this government has sought nothing other than a smash-and-grab raid on this important entity. If members opposite are going to continue spinning this furphy that somehow or another this is government business as usual, they should at least pay heed to some of the facts in this particular matter. I understand that there are a number of other members on this side who are keen to make contributions to the debate on this important bill and all it stands for in relation to what this government's priorities are — and more

importantly what its priorities are not. On that basis I leave my comments there.

Mr THOMPSON (Sandringham) — In contributing to the Accident Compensation (Repayments and Dividends) Bill 2012 I would like to place on the record the primary purpose of the bill, which is to amend the Accident Compensation Act 1985 in order to enable the Victorian WorkCover Authority to repay capital and dividends to the state. The act comes into operation on the day on which this bill receives royal assent.

WorkCover is a very important scheme for the people of Victoria. Injured workers have rights and entitlements to compensation. In addition, over the last 20 years or so there have been strong schemes to enable people to return to work and re-establish their role in the workplace. In yesteryear I had occasion to meet and work with many people who had sustained workplace injuries. They included people who had been seriously maimed as a result of industrial accidents that saw the loss of limbs or eyesight or, in other circumstances, debilitating back injuries.

In other cases there were elongated circumstances which did not necessarily see people return to work quickly because there was a payout scheme that was dependent upon the gravity of the injury, so there was no incentive. There have been constructive reforms in recent times that do not enable people to wait for the maximum time to elapse in order to qualify them for a lump-sum payment which might dissipate in a short space of time — this process was succinctly defined by a former Labor Premier of this state — but rather enable them to be supported in the recovery and rehabilitation process.

In recent days a number of my colleagues have taken on board evidence from spinal and plastic surgeons who have talked about horrific injuries that people have suffered. It is also important that we as a community provide avenues and pathways forward for people seriously injured on roads. This side of the house also supports the national disability insurance scheme in principle, although there are some significant funding issues in order to translate that aspiration into a realisation on the ground and to provide good support.

In economic terms I go back to the state's different revenue schemes. In the late 1980s the Labor Party had a scheme to impose an ad valorem tax on the purchase price of a business. That led to an accelerated increase in political party memberships on this side of the house, as there was going to be an additional impost on businesses in a way that had not been seen before. In

addition to paying the purchase price of a business, the stamp duty on a lease, the goodwill of a business, legal and accounting costs and an electricity bond there was going to be an ad valorem tax in the late 1980s to try to make the budget work.

The state has a range of consistent obligations to the public sector to meet important needs in education, health, public transport and community services. The support of that area is also dependent upon revenue streams such as stamp duty, payroll tax, land tax, motor vehicle registration and GST returns to the state. As the Department of Treasury and Finance has evaluated revenue streams into the government and expenditure outlays there is a further need to ensure that the state can continue to operate effectively and meet its financial obligations.

Members of the chamber may recall the late 1980s. A former Speaker was in this place when government payrolls were being met out of other government departments for public sector workers, and there were insufficient resources to meet expenses. That was a very serious matter, and I am advised it took the full debating time of members just to place on the parliamentary record the importance of legislation of that nature.

In relation to Australian business being cost competitive, we heard in this house just moments ago during question time about the increased cost imposts on the public transport sector, the health sector and the public education sector, among other things, as a result of the introduction of the carbon tax for Australian enterprises, government sector enterprises and working Australian families in regard to their household electricity bills. It is a massive impost. In regard to the carbon tax, I question whether there will be a difference to the global environment as a consequence of this particular tax in Australia or the strategies introduced for Victoria by the Labor Party, such as its carbon reduction targets and other policies in that area. That would be highly debatable. I have had the consistent position on this particular issue that unilateral action in this area on the part of the Victorian government with no net benefit to the environment will not be in the interests of employers in this state.

Victoria has a competitive advantage in the area of its brown coal reserves that has been undergirded by the motor vehicle sector. Ford and General Motors Holden came to Victoria because of this state's 500-year reserves of brown coal. These are very important industries that put money into the government coffers through their revenue base and the payroll tax. Despite our best endeavours, there will be issues that we as a

state will need to confront due to the slowing global environment, the problems confronted by Europe and the financial indebtedness of countries such as Portugal, Italy, Greece and Spain. The financial woes of these countries will result in a lack of market demand. There are financial stringency measures being imposed upon Mediterranean countries, particularly Greece and Italy.

I pay tribute to the coalition government for the business initiatives that were described to the house earlier. The trip to the Middle East has translated into outcomes. A business in my electorate joined the trade mission to the Middle East and spoke most highly of the entrepreneurship, innovation and support provided by the Dubai office. Then there was the recent trade mission to India, which again was designed to grow markets for Victoria and to increase the level of business activity taking place. The WorkCover payments can be amortised against rising levels of prosperity. There is the importance of developing strong trading relationships in the Asia-Pacific region, with countries such as South Korea, China and, a little bit to the west, India. This is ongoing work to develop new markets for Victoria.

I am reminded of the time of a great drought over 100 years ago. The member for Derrimut used to represent the electorate of Sunshine, and that suburb got its name from the Sunshine combine harvester. Through the ingenuity and skill set of Hugh Victor McKay, 3000 people were employed in the suburb of Sunshine. Mr McKay developed the Sunshine combine harvester. In addition to providing employment when things were tough in Australia, Mr McKay put his brother on a boat with a number of machines and sent him to Argentina to provide an income stream during those tough times.

The bill before the house is a little bit different, but it is undergirded by the same principle — the Accident Compensation Amendment (Repayments and Dividends) Bill 2012 is designed to provide stability to the state's finances so that payments can be made to our public servants, our teachers, our nurses, our doctors in the public sector, our police and our community services workers, and enable the state of Victoria to operate on an astute financial footing. I note that this state has received dividend returns from other authorities and that members on the other side of the house have supported those returns. It is important that the budget be a balanced budget, that it provides for future needs and that the credit rating is retained to keep our interest repayments at a lower level.

I go back to the closing years of the 1980s when in order to shore up the state budget, the then Labor Party

proposed to kill the goose that was laying the golden eggs for the Victorian economy — that is, the private sector — with the ad valorem tax on the purchase price of a new business.

Mr NARDELLA (Melton) — I oppose this bill before the house. I oppose it because it only demonstrates the awful position that this state is now falling towards when this government has to plunder \$470 million out of the WorkCover scheme to prop up its budget. It also demonstrates that this government is a bad economic manager. This government does not know how to run the state. It has no idea about the economy. It has a Treasurer who is very good at being an accountant back out in the suburbs, but as far as being the Treasurer of a sovereign state here in Australia goes, he is absolutely hopeless.

This government is plundering this money to bolster its budget position. Those are not my words. The honourable member for Sandringham said the bill would ‘provide stability to the state’s finances’. That is what the government is doing, because the stability was there when we were in office, when we had a AAA credit rating, when we had the budget in surplus. Because this government has brought down the budget and the economic situation here in Victoria, it now has to plunder this fund. Soon it will be going down the track of increasing tax after tax on people and families in Victoria. There is the \$35 rise in registration fees, the 8.9 per cent rise in public transport fares, the cuts to education and the \$200 million in cuts to community services — that is where this money is going. It is propping up the budget and propping up a Treasurer who has absolutely no idea of how to run this state. It is a tragedy.

It takes me back to when the Speaker and I were members of the other place. Time and again we had these bills coming before the upper house about WorkCover, and about WorkCare in the first instance before it was changed to WorkCover. Because of the decisions of the government of that time, benefits were reduced and the fees and levies for companies were increased, and that affected our competitiveness internationally and within Australia. That is the desperate state this government is now putting us into.

The \$470 million should not be taken out of the WorkCover scheme. It should go into the three major priorities of this scheme. The first priority is to increase benefits to injured workers. That is what this scheme is about. This scheme is not something to be plundered or used to pay for the redundancies that are on the way — the 20 per cent that former Premier Jeff Kennett put in place back in 1993 that this government is now putting

forward and will be putting forward in its budget. It should not be used for that. It should be used to increase benefits for injured workers and, more importantly, for their families. It should be about reducing the WorkCover levies. There were six decreases in premiums during the time of the Bracks and Brumby Labor governments. That meant that employers could employ more people. It made us more competitive. It meant that we could provide jobs, put food on the table and get money into households because people were being employed.

This money should go into improving occupational health and safety so that we can reduce the amount of injuries and the amount of deaths that occur in a number of industries within the workforce. It should go into research to see where we can do better. It should go into inspectors and into following up where things have gone wrong and into making things better for the future.

I oppose this bill. It is the Liberal-National party coalition going out there again and hating injured workers. I make this prophecy: firstly, this government, as happened under Kennett, will come back to this house with further amendments once this bill has affected the scheme, and secondly, we will see during the term of this government further changes to WorkCover because of the money being ripped out of the scheme. I am very concerned about that, and that is why I am opposing the bill.

Mr WATT (Burwood) — I take great delight in speaking on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. I would like to make a couple of points about a number of things that people have said during this debate. Firstly, I completely agree with the member for Melton when he said the Treasurer was a very good accountant out in the suburbs. I agree with that comment, and that is probably all I do agree with. I completely disagree with the member’s second assertion — that the Treasurer is not a good Treasurer, because I think he is a fantastic Treasurer who is doing a great job with a set of circumstances that was handed to us by a previous government that has left us in a very challenging situation.

I take up the comments made by the member for Preston, and I agree with something he said. The member for Preston talked about the fact that this bill would not affect workers and would not impact on entitlements. I do not know whether the opposition got together in their party room with a consensus on this. Maybe the member for Preston missed the party room meeting or maybe everybody else did, but it appears as

though everybody else thinks the member for Preston does not know what he is talking about. I listened to nearly every member who spoke in this debate, and I can say that all the opposition speakers completely disagreed with the member for Preston. I wonder what consequences they might face, or he might face, at the next party room meeting.

Ms Kairouz — That is not the way we operate.

Mr WATT — You don't discuss things in your party room?

The ACTING SPEAKER (Mrs Victoria) — Order! The level of interjection is too high, and the member on his feet will not respond to interjections.

Mr WATT — The bill is about the Victorian WorkCover Authority, which happens to be a government business enterprise and, as do many other government business enterprises, it will start to pay a dividend. All businesses generally pay the owners or the shareholders of the business some sort of dividend; some sort of revenue stream goes to the business owner, and generally that is with regard to some sort of risk that the business owner takes. The Victorian WorkCover Authority is no different from many other businesses inasmuch as the shareholders of the business will now be getting a return. There are other authorities which pay dividends to their shareholders, such as the Transport Accident Commission and the water authorities. We are just bringing the authority into line with those particular enterprises.

I find it interesting to hear the member for Melton talking about some people having no idea of how to run the state. I thought he was talking about the previous Labor government, and I tended to agree with him that it had no idea. New section 33B(2), which is inserted by clause 4 of the bill, states:

In determining the dividend policy that applies to the Authority, the Treasurer must have regard to the solvency margin determined to maintain the long term financial viability of the accident compensation scheme.

In reading that, the word that sticks out in my mind is 'solvency'. I am not sure whether those on the other side realise it, but to stay solvent you need to make sure your revenue base is growing in line with or exceeding your expenditure base. When you look at how this state was run over the last 11 long, dark, miserable years you can actually see that the revenue base was not growing as fast as the expenditure base. Expenditure was outpacing revenue to the point where some people might have been concerned about the solvency of many of our government enterprises.

I also listened to the member for Narre Warren North talk about the multitude of businesses he had spoken to. I think by the time he sat down it was thousands of businesses he had spoken to. I asked him to name just one of them, but he could not name even one business he had ever spoken to. That is typical of Labor Party members to not be able to name any businesses they have spoken to given the fact that they probably would not know a business if they fell across one.

It is interesting to note that those on the opposite side have talked numerous times about businesses and about the effect of this particular bill on businesses, but I do not think those on the other side really understand what businesses face and the pressures that are put on businesses. I note that during question time there were a number of questions about the carbon tax and that those on the opposite side have been quite silent on the carbon tax and the effect it will have on businesses. Many businesses are commenting — —

Mr Madden — On a point of order, Acting Speaker, the member has been on his feet for some time, and he needs to get back to the bill rather than straying into the juvenile rhetoric he has been using for some minutes.

The ACTING SPEAKER (Mrs Victoria) — Order! That is not a point of order. However, I do ask the member to remember which bill he is speaking on and to stay with that bill.

Mr WATT — I am happy to speak on the bill. I was talking about the Accident Compensation Amendment (Repayments and Dividends) Bill 2012 and some of the comments made by members opposite about the effect this will have on businesses. I was just referring to the fact that the members on the opposite side clearly have no idea of what sorts of pressures are put on businesses. One of those pressures that will be out there is the carbon tax, and I note that many businesses are talking about the carbon tax and the effect it will have on them.

Those opposite, when talking about this particular bill, the Accident Compensation Amendment (Repayments and Dividends) Bill, clearly do not get the point. They really do not understand what it is like to run a business or the pressures that are put on people who have businesses. Having listened to many other speakers on this, they clearly have no idea.

As I said earlier, the WorkCover authority is simply a government business enterprise. It is a business enterprise that is owned by the government. The government is the shareholder; the people of Victoria are the shareholders. The people of Victoria should

expect, or could expect, a return on a business enterprise that they own; it is very simple.

If you look at things like the Transport Accident Commission or government-owned enterprises like the water authorities, they pay dividends, just as the Commonwealth Bank pays dividends to its shareholders and Australia Post pays dividends to its shareholders and the Reserve Bank pays dividends to its shareholders. All of these businesses pay dividends to their shareholders. Whether the shareholders are government or whether the shareholders are mums and dads, these businesses pay dividends to shareholders, very simply, but this particular government business enterprise relies on the government for the risk. If this particular business does not have enough money to pay its bills, it becomes the government's responsibility to pay those bills. It is a government-owned enterprise, and very simply all we are doing is saying, 'We are taking a dividend from a business which we own'. It is very simple.

If you look at the objective of the bill, it is very simple. The purpose of the bill is to amend the Accident Compensation Act 1985 in order to enable the Victorian WorkCover Authority to repay capital and pay dividends to the state. It is very simple. The authority must pay to the state a dividend at a time and in a manner determined by the Treasurer after consultation with the authority. It is very simple. Those on the other side have no idea about business, no idea about how to run a business and no idea about the fact that a business needs to pay its shareholders when it comes to the end of the year. We must also keep in mind that this particular authority will not necessarily have to pay a dividend. All this bill does is allow for a dividend to be paid. I commend the bill to the house.

Ms THOMSON (Footscray) — I do not know what to say after that! I rise to oppose the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. I think it is quite sad to have this piece of legislation in the Parliament. In the entire time of there being a workers compensation scheme in this state never once have dividends been taken from that scheme, and for a very good reason — employers contribute that money to the scheme to protect the people who work for them, to make sure that there is backup for them if they are injured, to protect their families if there is a death, to ensure that there is an occupational health and safety program and that there is an opportunity for employers to learn how to better keep employees safe. It is also about employees learning how to keep themselves safe.

This is not a government-run business. This is an authority that is there to protect working people and to ensure that employers effectively have an insurance scheme for those workers. It is damning that a Liberal Party that professes to look after the interests of small business would bring such a bill into this place, because employers would love to see a cut in Victorian WorkCover Authority charges, which the Labor government continually gave them. Six times they received cuts in their WorkCover premiums. We were the envy of every other state. Employers interstate would say, 'We wish we could have your kind of WorkCover authority in our state with your WorkCover premiums'.

We now have a Liberal-Nationals coalition government which is prepared to bring a bill into this house that takes almost half a billion dollars out of the WorkCover authority to line its pockets because it cannot manage a budget. It wants to line its pockets rather than cut premiums for those small businesses. Most small businesses do not pay payroll tax. They do not have that kind of interaction with the state government, and you are turning them into taxpayers. You are the ones who get up and say — —

The ACTING SPEAKER (Mrs Victoria) — Order! Through the Chair, please.

Ms THOMSON — Sorry, Acting Speaker, you are correct. The Liberal-Nationals government members are standing here with a piece of legislation, and they purport to be the representatives of small business. Nothing is further from the truth. They have turned small businesses into taxpayers who in the past never had to pay payroll tax to the Victorian government, but they are going take it from them in WorkCover taxes. It is an indictment of the government, and it is definitely something that small businesses will remember for a long time.

The WorkCover scheme is something that we can be really proud of in Victoria. For many years we have seen a decline in the number of WorkCover accidents and a decline in the number of deaths — unfortunately there has been a recent increase in that death rate, but over a period we have seen a decline. We have seen employers embrace good work practices. We have seen WorkSafe Victoria work with employers on how they can make those workplaces safer for their employees.

This piece of legislation is saying, 'Okay, we are not going to change the provisions of cover for workers if they are injured now', but the government has opened the door for changes in the future. It has certainly opened the door to take even more dividends in the

future. It can bring in another piece of legislation next year. If it does not get enough out of this take, it can come back next year with another piece of legislation to take more out of WorkCover. The year after that the government might decide — because it is bleeding WorkCover dry — to bring in another piece of legislation to diminish the payments to injured workers.

No employer that I know, and I can tell the house that I know many, wants to see their workers put in jeopardy, and none of them wants to see a case where their employees who are injured are not covered adequately by WorkCover. They are genuine when they contribute to a WorkCover scheme with the intention of protecting their workers, not lining the pockets of the coalition government. The coalition government will be damned for this day. It has brought a shambles of a piece of legislation to this Parliament, and small businesses will hold it to account for this.

Mr KATOS (South Barwon) — It is my pleasure to rise this afternoon to make a contribution to the debate on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. The purpose of the bill is to amend the Accident Compensation Amendment Act 1985 to enable the Victorian WorkCover Authority to repay capital or pay dividends to the state.

The member for Sandringham talked earlier about the need for financial stability, and perhaps that should be put more into context. The member for Melton went on quite a rant about stability and how the previous government left the state in a fantastic position. It did not leave the state in a fantastic position. Coalition ministers have encountered numerous black holes, there were programs that had end dates of 30 June 2011 and no funding in the forward estimates whatsoever, and there are the added cost pressures of the desalination plant. The desalination plant is putting a burden on the budgets of the government and of water rate payers around the state. The last two budgets of the previous government were actually in deficit. It was only one-off payments from the government's friends in Canberra — perhaps it was Kevin Rudd at the time, but it is now Ms Gillard — that brought those last two budgets into surplus. They were false surpluses. The picture was not as rosy as painted by those opposite. When they left government they did not leave the state in as great a position as they say they did.

WorkCover is extremely important to protect injured workers, as are the occupational health and safety laws of this state. I have experienced this firsthand. I have been an employer for 20 years. I am sure I have many colleagues on this side of the house who have been in

that position. I cannot say that no-one opposite has been an employer — perhaps some have been — but they are very much in the minority on the opposite side of the house.

The dividends that will be paid to the government in the future by the Victorian WorkCover Authority will not diminish the responsibilities of employers in their workplaces. They will still be obliged to comply with all occupational health and safety laws and ensure that their workplaces are safe environments. This dividend will not have any effect whatsoever on the rights of workers in the workplace or on the safety obligations that employers have in those circumstances. The dividend payments will not diminish those rights. Workers will be protected, and the WorkCover fund will be adequately compensating injured workers. There is no question of doing anything else.

Those opposite have been very confused on this issue. The shadow minister understands that the changes made by the bill do not diminish the rights of workers, do not mean that laws are compromised and do not mean that potential payouts or compensation are compromised. But I am not sure that the shadow minister has communicated that in a briefing to his colleagues, because everyone else on that side of the house has stood up and ranted and raved that this will be the worst thing ever. They said the bill will diminish the safety of workers, which could not be further from the truth. What is the actual position of the opposition? The shadow minister and lead speaker, the member for Preston, espoused one position, yet the rest of his colleagues have gone off on tangents saying that the world will collapse and the sky will fall.

The dividend will vary from year to year depending on the performance of the Victorian WorkCover Authority. In the 2011–12 year it is budgeted to be \$147 million. The member for Benalla earlier raised an important point in his contribution, which is that new section 33B(2), 'Dividends', states:

In determining the dividend policy that applies to the Authority, the Treasurer must have regard to the solvency margin determined to maintain the long term financial viability of the accident compensation scheme.”

Therefore the solvency of the scheme must be taken into account. Obviously there will be variations in the performance of the scheme; it is not going to perform in the same manner every single year. If one year it does not perform so well, a smaller dividend will be taken. The Treasurer must take the performance of the authority into account.

There is another thing that members on the other side have been hypocritical about. Water authorities have been mentioned quite often in this debate. Apparently it is all right to take dividends from water boards; there is no argument with that. The member for Benalla highlighted that a water board in his electorate had to borrow money in order to pay a dividend to the former Brumby government. This is outrageous. What is the position? The opposition thinks it is fine for water rate payers to have to pay dividends to the state, but not when we have an authority that the state underwrites. The underwriting of the authority by the state enables that authority to be more aggressive in its investments and to get a higher return on its investments. The authority has the confidence of knowing it has the backing of the state government, and that is very important.

If it is the case that the government is underwriting the authority and the authority is performing well, is it not entitled to a dividend? That is just a common-sense position. It does not undermine the authority. In fact as of 30 June 2011 the authority had total assets of \$10.9 billion. A dividend of \$147 million, which is in the 2011–12 budget, is actually quite a small amount in the context of the authority having assets of \$10.9 billion. If a company had \$10.9 billion in assets and only paid \$147 million to its shareholders, there would probably be a few questions asked. In the scheme of things, it is a small dividend.

I commented earlier in my contribution about the question of stability. The government has found numerous black holes in the budget — the picture was not as rosy as it was painted. The bill also safeguards the solvency of the authority. Solvency is very important; the authority must be solvent. Those opposite have a history of overseeing insolvent institutions. One has only to think back to the years of the Cain and Kirner governments when the state used to have a state bank.

Mr Carbines interjected.

Mr KATOS — It could well be. As the member for Ivanhoe points out, his electorate office is situated in a former State Bank of Victoria building. There you go. This state had a state bank, but because of the incompetence of those Labor governments, we lost that state bank. It all goes back to those governments not ensuring that the bank was liquid and solvent. Those on that side of the house do not care about liquidity and insolvency; they are not interested. As I said earlier, if there are fluctuations in the performance of the authority, that will be reflected in the dividend paid, so there is protection there.

This bill makes provision for the payment of dividends to the government by the authority. The government is expected to underwrite this authority, so it is only fair that it receives dividends in return. That is normal business practice. With that, I am happy to commend the bill to the house.

Ms HALFPENNY (Thomastown) — I rise to contribute to the debate on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012 and express opposition to this bill. It is appalling to think that the government will take from the mouths of Victorian workers who have sustained work-related injuries and from programs meant to improve the safety of workplaces to line its own pockets. This is a mean-spirited bill from a mean-spirited government. It seeks to provide for the payment of dividends to the state government rather than use the income generated by the workers compensation scheme to support injured workers and make workplaces safer.

The member for South Barwon argued that taking half a billion dollars out of the scheme will not affect the entitlements that are paid by the scheme. That is wrong. Through its surpluses the Victorian WorkCover Authority also pays for a whole lot of programs to make workplaces safer and healthier, and these programs will be under threat if surpluses are taken to line the pockets of the government. This bill is a mechanism by which the government will suck almost half a billion dollars out of the authority.

The Liberal-Nationals government, in particular its members such as the member for Burwood, seems to have confused government business enterprises with private enterprises. The latter often raise capital for investment by issuing stock and in return pay dividends to shareholders. The aim of such companies is to make a profit from whatever business they are in. But a scheme set up to compensate Victorians for death, injury and illness sustained at work is not the same thing. This is a government taking money that it did not earn or contribute to. This is not a business but a scheme that is regulated by government and not paid for by government. This is a scheme that is funded by employers through the payment of premiums. It is an insurance scheme, and it is paid for by those who require the insurance.

Employers insure against claims by workers who injure themselves or die in the course of their employment. If dividends are paid to government, there is less that can be paid out in claims, reduced premiums or programs to support workers and make workplaces safer and healthier. It means that employers, through their premiums, are paying dividends directly to government.

This sounds like a tax on business. It means that Victorian taxpayers will ultimately pay if the scheme fails and shortfalls arise.

I would like to demonstrate a problem with this bill by way of an example. Recently a man who was living in the Thomastown electorate contacted me. He had a permanent back injury and was in constant pain. He was living in his car because he could not afford to pay rent as he is on a disability pension. In the course of a general conversation I discovered that this man permanently injured his back at work. However, WorkCover only pays wages or part wages for a maximum of 130 weeks. In the early days of his injury, the pain and feelings of worthlessness — his own words — made him difficult to live with, and after a time his compensation payments reduced. This created financial stress, which only added to the growing family problems that he was having.

His wife did not have paid employment, and his children were young. They lost their house, and he and his wife separated. He had no assets behind him other than his car. Compensation payments ceased altogether, but not because he no longer had a permanent or painful back injury and not because all the specialists and doctors said that he was fit for work and could assume his pre-injury duties. No, compensation ceased because the scheme provides a maximum of 130 weeks pay. He was forced to go on to a disability pension and be funded by taxpayers rather than the workers compensation system.

This man might understand that he cannot be paid forever, because it might make the scheme unviable if everyone was getting paid for an indefinite period. He might also understand that he cannot be paid forever because his employers may not have the capacity to pay ever-increasing premiums. But how do you explain to him that this Baillieu-Ryan government is putting its snout in the trough of the Victorian WorkCover Authority and taking half a billion dollars out of the scheme and putting it into its own pockets?

I will finish by saying that it is not right that the government is taking half a billion dollars from the WorkCover authority's surplus. That money should be spent on injured workers, on assisting employers to make their workplaces safe and on continuing to improve the safety and wellbeing of workers in Victoria.

Mr SOUTHWICK (Caulfield) — It gives me pleasure to rise and speak in the debate on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. As somebody who has suffered a

pretty sore back through the week and has struggled to be in the chamber, I can understand how important WorkCover is and the great work that WorkCover does. I want to spend some time in a moment highlighting just how important the work of WorkCover is in rehabilitating people and getting people back to work as quickly as possible and providing services to support people in their workplaces.

The objective of this bill is to amend the Accident Compensation Amendment Act 1985 to allow the Victorian WorkCover Authority (VWA) to repay capital or pay dividends to the state of Victoria. The bill allows the Treasurer to make determinations for the repayment of capital or payment of a dividend after consulting with the VWA and the responsible minister, and having regard to the financial viability of the VWA. This is specifically in reference to how much money is in the pot — the financial position of VWA at the time of making the determination regarding the dividend. Before any such decisions are made it is prudent to ensure, first and foremost, that workers are absolutely at the top of the tree — that they are looked after before anyone else when it comes to WorkCover payments.

The WorkCover scheme has been managed well by the state and has thus earned a surplus. The surplus money is not money that members of the Victorian Parliament — —

Honourable members interjecting.

The ACTING SPEAKER (Mrs Victoria) — Order! There is an awful lot of noise in the chamber. I ask members to keep it down.

Mr SOUTHWICK — The money we are talking about does not belong to the Australian Labor Party or members of Parliament; it belongs to the Victorian people. Paying the dividend will be paying it back to the Victorian people. The money will go into the Consolidated Fund to pay for projects. It will pay for education, health, public transport, police and the many other important things that we in this chamber talk about every day.

Unfortunately the previous government has left Victoria in such a state that the government has to be very prudent with its money. We have to manage every dollar we have left — and we have not been left with much after 11 years of Labor government. That means that in the financial decisions we make we need to ensure that the money is stretched as far as possible and that everybody is accommodated.

We have heard many members of the opposition stand up in the adjournment debate and ask for a lot of things for their electorates. They have talked about wanting upgrades to their schools and police stations. We hear it all the time. Members of the opposition want a lot for their electorates, and so they should. If the money were there, we certainly should be putting the money back into the electorates and communities we all represent. Unfortunately that is not the case. The money is not there; the money is not available because the previous government spent it all. It wasted and mismanaged the money on projects and budget blow-outs. We hear it time and again. It is disgraceful.

When we mention things like the desalination plant blow-out, some opposition members shake their heads and say, 'Why do you have to bring up the desalination plant again? Why do you bring up some of the major projects that we fluffed?'. We mention them because we need to remind the public of how incompetent the Labor Party was at managing money when it was in government and of the absolute mess it has left the current government with. Because of this it is only appropriate that we look at finding where there are surplus funds, particularly in government-run operations such as the VWA, and returning those funds straight back to the public. That is what we are doing: returning them to the public in health, education and all the other things we stand up for —

Mr Madden interjected.

Mr SOUTHWICK — I heard the interjection from the member for Essendon. Many a time he has stood here and asked for things for his electorate. I suggest that Essendon residents would want good hospitals, education, health care and police — all the sorts of essential services we are desperately trying to provide. The only way we can do that is through sensible management.

Let us be clear about this: the VWA is not a private enterprise, it is not on the stock exchange, and the people who underwrite the VWA are not private shareholders; the shareholders are the Victorian people. The Victorian state is the underwriter of the VWA. As such, it is only appropriate that any windfall should be returned to the people and the state.

Looking at the other end of the spectrum, if there were a loss — if there were, God forbid, a huge workplace accident that caused hundreds of thousands of dollars worth of damage and we needed to find that money quickly — guess who would be responsible? The government would be responsible. Just as we have an entitlement to take the money out and invest it straight

back into public needs and essential community assets, we would also be responsible if the situation should go the other way: we would have to put the money back in. We would have to tip money back into the coffers of the VWA to ensure, first and foremost, that workers are looked after should there be any accidents.

The VWA is a well-run business organisation, and I commend it for the work it does in managing its operations and for the services and facilities it has provided to get people back to work as quickly as possible. At the end of the day the cheapest way to afford these sorts of things and make the sort of money the VWA has made is to return people to work. I heard the member for Thomastown speak about one of her constituents who had been off work for 100 weeks or thereabouts. That is unfortunate.

At the end of the day what we should be looking at is not how we top the authority up to try to keep people off work for a longer period of time but how we get people back to work as quickly as possible so that they are making a difference and contributing to the bottom line and the economy. That is why the VWA has been successful. That is why it has been doing what it has been doing.

Mr Madden — You've got to pay for that.

Mr SOUTHWICK — The member for Essendon interjects, saying, 'You've got to pay for that'. We are able to do that because the VWA has been delivering a huge profit which is going to be distributed back to the public — not to the Australian Labor Party and not to the members of this house but straight back to the public. It will go to essential services that we need to deliver and that we are going to struggle to pay for because of the waste, mismanagement and incompetence of the Australian Labor Party. I commend the bill to the house.

Mr LIM (Clayton) — I rise to speak on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. I have been listening to the contributions to the debate from both sides but particularly from the government side of the house, and I have been here long enough to notice the difference. It is quite evident from the contributions of government members that their hearts are not in it; they are half-hearted about this bill. That is because this is an outrageous bill. It is a very bad bill, and they know deep down in their hearts they should not do this to injured and sick workers in the state. Their consciences are on the line, and it is reflected in their contributions to the debate that they are not fully supportive of their own bill.

I am a Buddhist, and in Buddhist parlance this is bad karma for the bill. It will come back to the government, and the government will pay. This legislation reflects another aspect of this government and that is its born-to-rule attitude: 'We were born with silver spoons in our mouths, and we do what we want, so we raid the workers compensation fund'. I am very proud that Labor members are opposing this bill. We oppose it because it is wrong. It is a very unfortunate bill, and as Victorians we should all be ashamed of it. It reflects what a poor economic manager of the state this government has become. It is desperate. It has become a job destroyer. Not only is it not producing jobs and work in this state but now it is destroying jobs that already exist. Who would want to work in conditions like this?

Last night I had the opportunity of hosting a dinner for some top Asian business community leaders who came to share their concerns with members of the opposition. It transpired that since this government has come to power something like 50 000 jobs have been lost from the state. This means that every day in this state we lose 100 jobs. Every day we are sitting in this chamber we lose 100 jobs. For the first time in quite a while New South Wales is waving the flag saying it is again the premier state. We are now falling behind and trailing New South Wales. Members of this government should be ashamed. They should have a serious look at themselves for allowing Victoria to fall into this parlous state. On top of destroying jobs and not creating jobs they are punishing people who are in a job, especially if they are injured or sick. What kind of government is that? People at the function I attended last night were astounded that the state has fallen into such a state of affairs.

This bill allows the state government to raid the Victorian WorkCover Authority's fund. On page 7 of the 2011–12 budget update the Treasurer calls it a 'modest revenue initiative'. However, the figures on page 114 of the update show they are anything but modest: \$147 million this financial year, \$126 million in 2012–13, \$87.5 million in 2013–14 and \$110.5 million in 2014–15. That is a whopping total of \$471.5 million over four years. But, and this is a big 'but', there is no guarantee the amount will be limited to close to half a billion dollars. The figures for future financial years are just projections; they are not locked in by this bill. This is borne out by the bill. One need only look at clause 4, which inserts into the principal act, the Accident Compensation Act 1985, new section 33A, which reads in part:

The capital of the Authority is repayable to the State at the times and in the amounts determined by the Treasurer after consultation with the Authority and the Minister.

Clause 4 also inserts into the principal act new section 33B, which reads in part:

The Authority must pay to the State a dividend at the time and in the manner determined by the Treasurer after consultation with the Authority and the Minister.

The sky is the limit. How dare the government do this! The bill allows the government to raid the WorkCover fund for as much as it likes in coming years. It will be very tempting for the government to do this as receipts drop in an economy the government itself has sent into recession. There is certainly no guarantee in the Treasurer's second-reading speech about limiting the amount he will take from the WorkCover fund.

I repeat what I said earlier: this is a disastrous and sickening bill. The government should be ashamed of itself and withdraw it accordingly. We will oppose it vigorously.

Mr CRISP (Mildura) — I rise to speak on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. The purpose of the bill is to amend the Accident Compensation Act 1985 in order to enable the Victorian WorkCover Authority to repay capital and pay dividends to the state. This bill brings WorkCover in line with other government business enterprises.

The Victorian WorkCover Authority has accumulated a strong pool of funds over the years and is in a good position to meet its commitments going forward. WorkCover has a strong history of supporting Victorian workers, and it will continue to do so. The Transport Accident Commission pays a dividend, and it accumulates its funds in very much the same way. For those who are involved with this legislation, the benefits improved following the Hanks review. To a degree there is a requirement to say that in Victoria over the years those involved have managed WorkCover very well from a financial point of view — —

An honourable member interjected.

Mr CRISP — I hear the comments from the other side, but at 1.34 per cent its premiums are the lowest in the country. A dividend will bring us just into line with what would be considered sound business practice from a government point of view. As I said, the Transport Accident Authority pays a dividend, and we all know the work it does. The dividend will depend on performance. As we all know, businesses have their ups

and downs, so what has to be paid will not be locked in; the amount will be determined on the performance of the fund in that year, and as I have said, it will not reduce workers entitlements.

That is the gist of this bill which comes about from this government again applying sound business practice with a statutory organisation. The payments will be used to help all Victorians and for services to various Victorians to improve their lives. This will bring the authority into line with other government business enterprises. The Victorian government has prioritised the strong building of this financial compensation scheme, and the Victorian WorkCover Authority has accumulated a significant pool of funds which are sufficient to meet what one would call its contingencies and requirements. It is no longer justifiable to continue to exempt the Victorian WorkCover Authority from paying a dividend.

The justification for this dividend is that the government effectively underwrites the scheme anyhow, so the entitlements are secure and the scheme is financially strong and operating within the preferred funding arrangements. It is competitive and, as I said, its premiums are the lowest in Australia. The dividend that will be paid will be a proportion of the Victorian WorkCover Authority's underlying profit, as represented by the performance of the insurance operations. Consequently a dividend will be payable only when the WorkCover authority is in a financial position to fund that dividend. It does not necessarily follow that it will be obliged to pay a dividend every year. This is sound business practice, and I think the benefits that can be derived from this will help all Victorians. I commend the bill to the house.

Ms GREEN (Yan Yean) — I have spoken on many occasions about the support of the party I have great pride in representing, the Australian Labor Party, for injured workers and for having good health and safety legislation and regulations that mean that workers do not risk being injured at work and are able to go home to their families at night. At lunchtime today, with the Leader of the Opposition and my colleagues, I was proud to stand shoulder to shoulder with my friends and comrades from the Victorian trade union movement. You always know that the big difference between members on this side of the house and members on that side of the house is that we are for the workers — we are for looking after them, we are for keeping them safe and keeping them in work — and those on the other side are not.

I had just gone into the workplace when the then Cain government established a decent workers compensation

scheme here. Those on the opposite side argued that it would be the end of the world and that business would not cope with it. Having good health and safety practices actually assists productivity. I was here as a staffer to the then opposition leader in the upper house when the Legislative Council sat all night and those opposite slashed and diminished the benefits to injured workers in this state — just like they did with the Auditor-General and other important central tenets of government and Parliament in this state.

They are now on the government benches again. Often we hear — and we heard throughout question time — them trying to run a fear campaign about what the imposition of a carbon tax would mean for business and for the community. Let me tell you that this raid — this theft by the scallywags, the buccaneers on the other side — on the workers compensation scheme in this state is not only an insult to workers but is also an insult to business. They say they care about the business community and that it is doing it tough and it will suffer from the imposition of a carbon tax, but they are not prepared to pass on the dividends of good solid management of what was rated the best workers compensation scheme in this country.

I am proud to have been a member of a government that in almost every second year — on half a dozen occasions in our 11 years — reduced premiums to businesses in this state. But when members on the other side have the opportunity to do the same, after saying that businesses are doing it tough and it is everyone else's fault but their own, they will not pass on benefits by reductions in premiums, do additional things to keep workers safe in this state or provide better benefits to workers. No, they will thief that money. The member for Caulfield said, 'Oh, this is not the Australian Labor Party's money or the Parliament's money'. No, it is not; it is contributions by Victorian businesses that ought to be returned to those businesses in lower premiums or in better benefits for workers or in positive campaigns to ensure that fewer people are injured at work and that people get to go home to their loved ones.

In a similar situation not too many years ago when the Transport Accident Commission's nationally recognised transport accident scheme, also a well-managed scheme, was doing well and had a surplus, did Labor in government raid that surplus and those funds that had been paid? When there were surpluses in these types of schemes, such as the scheme for workers compensation, we established WorkHealth. That is what we did. We thought, 'Well there is a dividend now', and we established WorkHealth. That is something that adds to the health of the community, and that is what this government could be doing. But

no; instead the buccaneers, the scallywags on the other side, are making a cash grab from the businesses and the workers of Victoria, and they stand condemned. Along with every trade unionist who was on the steps at lunchtime today, I condemn them. I was proud to be there, and I know they will be back again keeping their eyes on what this government does in undermining the workers and businesses of this state.

Mrs FYFFE (Evelyn) — I am pleased to rise to speak on the Accident Compensation Amendment (Repayments and Dividends) Bill 2012. I am astonished. What a time warp the member for Yan Yean and the member for Clayton are living in. It is going back to the days of Scargill. It is taking me back to the days of the miners strikes in England when the unions insisted on the strikes and children like myself went hungry because the unions wanted to do this, that and the other. Union membership in this state is down to approximately 22 per cent of workers. This side of the house represents the whole of Victoria. We represent everybody and will do the best for every Victorian, not just union members. I cannot believe this class warfare is being reopened. How old fashioned; how out of touch!

The majority of people in my electorate are tradespeople — honest, decent people — and they would be appalled at the way the member for Yan Yean has been talking today about the government taking from the rest of Victoria and stopping it progressing. This bill is about the dividends going into consolidated revenue, but that is not going to occur every year. Importantly it does not necessarily follow from the bill that a dividend will have to be paid every year, and the government has continuously underwritten the scheme, so all entitlements will be paid when they become due.

Yes, we need good health and safety legislation, and I admire the work that has been done by the Victorian WorkCover Authority, especially over the last few years, in raising awareness. I think the ads that are being run are fantastic because they bring home to people the importance of safety. Having been an employer, I can say that we need WorkCover to keep that kind of work up — and that work will continue because it is profitable. It represents money in the bank.

WorkCover will continue to do that accident prevention work. It will continue to care for injured workers. Even when you treat your workers well and teach them about health and safety you cannot guard them every minute. We had an accident at our winery when an employee disregarded all the safety regulations, stood on a crate, against all the advice we had given him, and broke his ankle. WorkCover looked after him, and I was very

pleased about that. We also looked after him extremely well. We will always need WorkCover.

We on this side of the house have employed people. We on this side of the house have been responsible for safety and welfare. Most members on the other side of the house have not done a decent day's work in their lives.

Honourable members interjecting.

Mrs FYFFE — Actually the member for Ripon, as a mechanic, might have done one, but all that most of them have done is work in unions or electorate offices. They do not know what it is like to be a real person working on a shop floor or in a hospital. They do not know what it is like to actually be there and do it. All they can do is rant and rave and think about the less than 22 per cent of people in Victoria who belong to unions. We care about the whole of Victoria. Union membership is going down, and it is not surprising. This legislation brings WorkCover into line with other government business enterprises. We know how the previous government gladly and happily took the money of the water bodies and all the other bodies into consolidated revenue. The government underwrites this scheme and no-one is going to be disadvantaged.

The SPEAKER — Order! The time set down for consideration of items on the government business program has arrived, and I am required to interrupt business.

House divided on motion:

Ayes, 44

Angus, Mr	Mulder, Mr
Asher, Ms	Naphine, Dr
Baillieu, Mr	Newton-Brown, Mr
Battin, Mr	Northe, Mr
Bauer, Mrs	O'Brien, Mr
Blackwood, Mr	Powell, Mrs
Bull, Mr	Ryall, Ms
Burgess, Mr	Ryan, Mr
Clark, Mr	Shaw, Mr
Crisp, Mr	Smith, Mr R.
Delahunty, Mr	Southwick, Mr
Dixon, Mr	Sykes, Dr
Fyffe, Mrs	Thompson, Mr
Gidley, Mr	Tilley, Mr
Hodgett, Mr	Victoria, Mrs
Katos, Mr	Wakeling, Mr
Kotsiras, Mr	Walsh, Mr
McCurdy, Mr	Watt, Mr
McIntosh, Mr	Weller, Mr
McLeish, Ms	Wells, Mr
Miller, Ms	Wooldridge, Ms
Morris, Mr	Wreford, Ms

Noes, 41

Andrews, Mr	Hutchins, Ms
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Barker, Ms
Beattie, Ms
Brooks, Mr
Campbell, Ms
Carbines, Mr
Carroll, Mr
D'Ambrosio, Ms
Donnellan, Mr
Duncan, Ms
Edwards, Ms
Eren, Mr
Foley, Mr
Garrett, Ms
Graley, Ms
Green, Ms
Halfpenny, Ms
Helper, Mr
Hennessy, Ms
Herbert, Mr
Holding, Mr

Kairouz, Ms
Knight, Ms
Languiller, Mr
Lim, Mr
McGuire, Mr
Madden, Mr
Merlino, Mr
Nardella, Mr
Neville, Ms
Noonan, Mr
Pallas, Mr
Pandazopoulos, Mr
Perera, Mr
Pike, Ms
Richardson, Ms
Scott, Mr
Thomson, Ms
Trezise, Mr
Wynne, Mr

Motion agreed to.

Read second time.

Third reading

Motion agreed to.

Read third time.

DISABILITY AMENDMENT BILL 2012

Second reading

Debate resumed from 27 March; motion of Ms WOOLDRIDGE (Minister for Community Services).

Motion agreed to.

Read second time.

Third reading

Motion agreed to.

Read third time.

ASSOCIATIONS INCORPORATION REFORM BILL 2011

Second reading

Debate resumed from 28 March; motion of Mr O'BRIEN (Minister for Consumer Affairs).

Motion agreed to.

Read second time.

Circulated amendments

Circulated government amendments as follows agreed to:

1. Clause 5, lines 7 to 12, omit all words and expressions on these lines and insert —
“(a) authorise a person who is at least 18 years of age and is resident in Australia to apply to the Registrar for the incorporation of the association; and”.
2. Clause 6, after line 10 insert —
“() A person who is authorised under section 5(1)(a) to apply to the Registrar for the incorporation of an association may do anything necessary to secure the incorporation of the association under this Act despite anything to the contrary contained in the rules of the association.”.
3. Clause 8, line 26, after “registration” insert “and assign to the association a unique registration number”.
4. Clause 17, line 23, omit “to be incorporated” and insert “the incorporation of the associations”.
5. Clause 17, page 20, line 2, omit “to be incorporated” and insert “the incorporation of the associations”.
6. Clause 18, page 21, after line 4 insert —
“(c) the particulars of any trusts relating to the incorporated associations applying for amalgamation and a copy of any deed or other instrument creating or embodying those trusts; and”.
7. Clause 21, line 28, after “contract” insert “(including a contract of employment)”.
8. Clause 27, page 28, after line 5 insert —
“() If the Registrar cancels the registration of the name of an incorporated association under subsection (3), the registration number of the association is taken to be its name until a new name of the association is registered under section 25.”.
9. Clause 29, after line 9 insert —
“Note
Section 51 states who the members of an incorporated association are on its registration under this Act.”.
10. Clause 29, lines 20 and 21, omit “and that are necessary or expedient”.
11. Clause 47, lines 19 and 20, omit all words and expressions on these lines and insert —
“(a) each of the matters specified in Schedule 1 to the extent the matter is applicable to the association; and

Note

Schedule 1 specifies a number of matters which apply only in certain circumstances. See items 3, 4, 7, 12 and 16 of Schedule 1.”.

12. Clause 48, page 41, lines 9 to 13, omit all words and expressions on these lines and insert —
- “(3) If the rules of an incorporated association do not make provision for a matter as required by section 47(2), the model rules, to the extent that they make provision for that matter, are taken to be included in the rules of the association.”.
13. Clause 59, after line 26 insert —
- “() If the secretary refuses the request, the secretary must not release the personal information without the consent of the person unless —
- (a) at least 28 days have elapsed since the secretary gave notice to the person under subsection (5); and
- (b) either —
- (i) the person has not sought a review of the decision; or
- (ii) VCAT has upheld the secretary’s decision to release the information.”.
14. Clause 59, after line 31 insert —
- “() If —
- (a) a member of an incorporated association informs the secretary of the association that he or she wishes to circulate material to all members of the association relating to its management, activities or purposes; and
- (b) access to the personal information of another member recorded on the register of members of the association is restricted under this section —
- the secretary must forward that material to that other member.”.
15. Clause 74, after line 24 insert —
- “() This section does not apply to the first secretary of an incorporated association referred to in section 72.”.
16. Clause 78, page 63, after line 6 insert —
- “**Note**
- The term *insolvent under administration* is defined in section 38 of the **Interpretation of Legislation Act 1984**.”.
17. Clause 80, line 28 after “section” insert “and the member has complied with section 81(1)”.
18. Clause 80, page 65, after line 2 insert —
- “() A disclosure of a material personal interest required by subsection (1) or (2) must give details of —
- (a) the nature and extent of the interest; and
- (b) the relation of the interest to the activities of the incorporated association.
- () The details referred to in subsection (5) must be recorded in the minutes of the committee meeting at which the material personal interest is disclosed.”.
19. Clause 87, lines 18 to 19, omit “on behalf of the association”.
20. Clause 90, page 75, line 13, omit “(excluding any income received as capital)”.
21. Clause 101, line 27, omit “statement” and insert “statements”.
22. Clause 102, lines 4 and 5, omit “in the approved form and”.
23. Clause 102, line 24, after “must” insert “be attached to an annual statement in the approved form and”.
24. Clause 118, lines 15 and 16, omit all words and expressions on these lines and insert —
- “(ii) the committee of the association; or
- (iii) a member of the committee or the secretary of the association; or
- (iv) the members of the association.”.
25. Clause 142, line 18, after “section 140” insert “that has not been distributed, sold or disposed of under that section”.
26. Clause 194, lines 21 and 22, omit “restricted personal information” and insert “a person’s restricted personal information without the consent of the person”
27. Clause 221, lines 30 and 31, omit “, statutory manager or administrator” and insert “or statutory manager”.
- AMENDMENT OF SCHEDULE
28. Schedule 5, page 192, line 22, after “**Associations**” insert “**Incorporation**”.

Third reading

Motion agreed to.

Read third time.

VICTORIAN INSPECTORATE AMENDMENT BILL 2012

Second reading

Debate resumed from 28 March; motion of Mr McINTOSH (Minister responsible for the establishment of an anti-corruption commission).

Motion agreed to.

Read second time.

Third reading

Motion agreed to.

Read third time.

Business interrupted pursuant to sessional orders.

ADJOURNMENT

The SPEAKER — Order! The question is:

That the house now adjourns.

Broadmeadows electorate: government services building

Mr McGUIRE (Broadmeadows) — The issue I raise is for the Premier, and the action I seek is for the Premier to overturn the government's decision to abandon the fully budgeted, design-approved and shovel-ready community and commercial development hub in Broadmeadows.

The government's decision to abandon this project axes up to 800 jobs in Broadmeadows, where unemployment is three times the national average. The decision to cut the funding of only \$14.8 million makes no sense on merit, need or good public policy. It fails to fix the problem of job creation and fails to build a future, as the Baillieu government promised. The folly of cancelling this budget commitment is underlined by the Victorian government's letter to the City of Hume, which declares:

The state government recognises the significant role that the Broadmeadows activities area will play in providing for Melbourne's growing population and the Department of Planning and Community Development will continue to work in partnership with council on Broadmeadows activities area projects.

This is a partnership that needs to be completed. The Baillieu government has acknowledged that Broadmeadows is one of Australia's fastest growing

areas. It is the capital of Melbourne's north and has proudly produced one-third of the state's manufacturing exports, which for generations have underwritten Victoria's prosperity.

From a business perspective, Broadmeadows is where investment must be made to build a future. From a government perspective, it is a duty to provide access to services that benefit early childhood development and education and provide greater access to services, including the Department of Justice and Centrelink, that this government services building would help deliver. It would also provide white-collar career jobs to help the transition from muscle jobs to smart jobs in Broadmeadows. From a historical perspective the Liberal government has again abandoned Broadmeadows. From a position of leadership, I still have not found a plaque in Broadmeadows with a Liberal Premier's name on it for delivering major funding for social infrastructure.

Delivering this project is not simply the right thing to do; it is the smart thing to do. In my inaugural speech I placed Broadmeadows beyond partisanship because the need is too great and the people deserve to have their courage and labour honoured. That is why this project must be completed. It is an absolute failure of government, a failure of duty and a failure of leadership, and the government will be condemned from here to the grave if it does not get on with this.

Nangiloc and District Bowls Club: lighting

Mr CRISP (Mildura) — I raise a matter for the Minister for Sport and Recreation, and the action I seek is that he provide funding to assist the Nangiloc and District Bowls Club to install lighting. Together Nangiloc and Colignan — and for those who wonder, one is the other spelt backwards — have a population of 606, with over 40 people being either full members or social members of the bowling club. During summer the greens are used three times a week, including for evening games. The Nangiloc bowling club holds a farmers cup for the locals each year, and games of barefoot bowls are played regularly by those who wish to join in the fun. It is a very popular club.

Lawn bowls is a wonderful sport that pulls together great community support, fostering friendships and social networking and supporting district right through to interstate competitions. All sports in rural areas need to be supported to ensure their continuation, and as such they deserve the best and safest greens and surroundings. Lighting of the bowling club greens would give it the ability to play night games, and with summer temperatures reaching the 40-degree mark, this

would ensure the comfort and safety of bowlers as well as increasing the club's usage of the greens. There are important reasons behind this for these communities. Although it is a very small community, it is a very functional community and it is very strong community.

Nangiloc has a general store and tavern, a mud hut, which is a meeting place, and a recreation area with a town hall, an oval and the bowling club. It has a school which has a strong emphasis as well, and it is located reasonably close to the bowling green. The school there focuses on agribusiness education, and it also has a very successful and award-winning program called Fundzinc, in which it partners with the Murray Valley Citrus Board, which helps local students follow oranges from the farm to the consumer as either fresh oranges or juice. They have also had their own juice business, supplying fresh products to their canteen and to others — they have access to a juicing machine — and you see them at sporting events, particularly such as those that are held at the bowling club.

The community will be strengthened by being able to play bowls at night, and I call on the minister to assist the residents of this small but vital community in my electorate to achieve their aim of being able to play bowls on hot summer nights.

Rail: Caroline Springs station

Ms KAIROUZ (Kororoit) — I raise for the attention of the Minister for Public Transport a matter concerning the Caroline Springs railway station, which was promised and funded by the previous Labor government. The action I seek is that the minister commit to attend a residents meeting with me and the Leader of the Opposition to explain to the people of the Kororoit electorate and Caroline Springs why this project continues to lie dormant and what the government plans to do for the people of Caroline Springs.

The residents of Caroline Springs continue to wait for this vital piece of infrastructure to connect them properly to Melbourne's metropolitan train system. With a population of 23 000, Caroline Springs is a well-established suburb that needs its own railway station. Labor funded the construction of the station in its forward estimates; however, this cruel Liberal government cut that funding from the 2011–12 budget and has provided no information on when residents can expect funding to be restored and the station completed. I raised this matter during an adjournment debate prior to the last budget just over a year ago, on 24 March 2011. I asked the minister to commit to building the Caroline Springs station and to ensure that no money be

taken away from this project in the 2011 state budget. History has shown that the funding was cut and that the station remains unfinished, with its famous road to nowhere as testimony to the inaction of this mean-spirited Baillieu government.

The minister responded to my adjournment request with a reply as obtuse and patronising as could be. He said:

The Victorian government has deferred the construction of the new Caroline Springs station.

We already knew that. There was no new information and no explanation, just an arrogant statement of fact. What the residents of Caroline Springs want is their station. This government was elected on the mantra 'Fix the problems; build the future'. In this case the government has created a problem and is building nothing. I hope the minister has the courage to front up to the residents of Caroline Springs and explain why his government seems hell bent on refusing to invest in the west and give a well-established community a long-overdue station.

Film industry: Alexandra television pilot

Ms McLEISH (Seymour) — I raise a matter for the attention of the Minister for Innovation, Services and Small Business. I seek to confirm the level of state involvement, if any, in a pilot being filmed in and around Alexandra. Alexandra and its surrounds have a certain degree of beauty, typical Australian charm and diversity of landscape. There are rolling hills, rivers, creeks and roads with bridges that are full of character. There are also national parks, hills, mountains and even snowfields. It is a particularly diverse and beautiful area, and any filming in this area would be a fantastic way to showcase the diversity and beauty of regional Victoria.

Nevertheless, in these beautiful areas times can still be tough, and a number of things have impacted quite negatively on Alexandra and the surrounding area. We had 10 years of drought followed by the devastating bushfires, which saw a drop in tourism and a drop in population when people moved away. The area has also seen the closure of the Gunns timber mill, a large employer in the area. Of course, as is the case in many country areas, the population in the Alexandra region is ageing as families and young people move away. In some of the small communities outside Alexandra there can be a sense of isolation. The need for good economic news is absolutely imperative in such areas, and this area is no exception. Whilst resilient, the communities in the area need to adapt to changing environmental and economic conditions and take advantage of future

opportunities. This need has already been identified through the Advancing Country Towns project, which has economic development as one of the three key initiatives that need to be undertaken.

As I understand it, a major US company is filming the pilot for a potential new TV series in the local area. I believe the company is based in Alexandra, which is in my electorate, but that some of the filming is being done in the electorate of the member for Benalla, around Thornton and Lake Eildon. As we can imagine, this has created a degree of excitement in the community. It is not often that a touch of Hollywood comes to regional Victoria, particularly to small towns areas such as Alexandra, Eildon, Thornton and Rubicon.

Any support the state can offer to boost economic activity in country towns is greatly appreciated. I ask if the Minister for Innovation, Services and Small Business can confirm it is the case that there is some state involvement, say whether she is aware of the economic and jobs value of this project and whether the Victorian government has provided any support.

Buses: Clayton South–Huntingdale service

Mr LIM (Clayton) — I raise a matter for the attention of the Minister for Public Transport. I request that the minister provide funding for a new bus route linking the Clayton South and Clarinda communities with Huntingdale and beyond in each direction. The minister will be aware that a series of bus reviews were conducted by the previous government, and many new services were provided, including the SmartBus routes, which have been of great benefit to constituents of the Clayton electorate. Those are the 900 service along North and Wellington roads, the 902 service along Springvale Road and the 903 service along Warrigal Road. Many existing routes received extra funding for increased frequency of service, longer hours of operation and restructuring. These were in direct response to increasing demand and as a result of the former government listening to commuters, who clearly articulated their public transport needs in relation to getting to and from work, schools, universities and shopping facilities in the shortest possible time.

Frequent calls to my office indicate the need for a new bus service linking Clarinda Road in Clayton South to Huntingdale along Huntingdale Road. Taking Clarinda Road as the middle point, travelling south and south-east, residents have identified that there is no direct access to family and friends in Dingley and Keysborough or to the Keysborough shopping centre. Travelling north and north-west, residents have

identified that there is no direct access to family and friends in Huntingdale or to the Huntingdale railway station and bus services to Monash University, Chadstone shopping centre and Deakin University.

This new route has merit, as it would also assist with the chaotic car parking situation at Huntingdale railway station, which has become so notorious and is always the subject of headlines in the local newspaper. During the last term of the Labor government 150 extra car parking spaces were provided, and we had planned for 150 more. However, new car parking has not eventuated under this government.

I commend the minister on accepting our position, albeit as a trial — that is, the bus shuttle from Huntingdale to Monash University. This new route could continue up Huntingdale Road before turning left at Waverley Road and heading for Chadstone shopping centre. This would allow students attending Deakin University to link with the 767 route, and this new route would also ease pressure on bus overcrowding at Clayton. I ask the minister to bring about this new bus route for the benefit of people as mentioned.

Buses: route 601

Mr GIDLEY (Mount Waverley) — I raise a matter for the attention of the Minister for Public Transport. The action I seek from the minister is that he provide certainty for the 601 bus route by continuing the service past its trial period. The background to this bus route is that many students utilise the Clayton campus of Monash University to undertake their studies. Unfortunately over the decade of Labor government no steps were taken to even look at alternative routes, such as the Rowville rail line or alternative bus routes, for this service. The consequence of that has been long wait times and queues for students. Public transport also became less attractive for students, and they were not provided with a reliable or safe service. The high cost of parking at the Clayton campus did not assist.

That is why I was so pleased on 12 July 2011, when, less than 12 months after the government came to office, the minister, Mrs Inga Peulich, a member for South Eastern Metropolitan Region in the Legislative Council, and I launched the 601 bus service. As I said, this was done less than 12 months after the Baillieu government came to office. The initial service was for a trial period of around 12 months and represented a \$1.25 million investment for a frequent express bus service between Huntingdale railway station and Monash University. The service started on 18 July, just in time for semester 2 orientation. Finally, after more

than a decade of inaction by Labor, students had an alternative bus service to Monash University.

The trial has been a reasonable success, and the 601 service is the most frequent direct public transport option for students travelling from Huntingdale to Monash University. It has services approximately every 4 minutes between 7.00 a.m. and 7.00 p.m. and every 12 minutes between 7.00 p.m. and 9.30 p.m. It takes only about 5 minutes for students to transit from the railway station to the Clayton campus. The feedback I have received from students is that the service is very popular.

I have met with the university on no less than six occasions, both before the trial commenced and during it. I have also met with students out at the campus and with local residents, so I have taken an active interest in, firstly, fixing Labor's mess and inaction on getting the trial started, and secondly, representing my electorate and pushing for this service to continue. Another aspect I note is that not only is the service well received but it also solves the problem of a zone 1-zone 2 overlap. Because Labor did not act, students who went from Huntingdale to Clayton had to have a zone 1-zone 2 ticket. This service is a prepaid service, and it means that students can use either zone 1 or zone 2, so there is also a cost benefit to students, and that is to be commended. As I said, the bus service is quite popular, and it provides an alternative means of transport that eliminates the need for parking. I have been a strong advocate of the service. Given the favourable trial, I seek that the minister take the next step, provide certainty and continue the service.

Baiada Poultry: employment conditions

Mr SCOTT (Preston) — The matter I raise is for the attention of the Assistant Treasurer, and the action I seek is that the minister meet with workers from Baiada Poultry to discuss safety issues in the poultry industry. Baiada Poultry, as members may be aware, is the place where two terrible incidents occurred that led to the deaths of two workers, both contractors on the site. Members may be aware of the incident in which Mr Sarel Singh was decapitated and killed in a shocking and horrible incident in 2010. In 2005 another individual, Mr Mario Azzopardi, died as a result of a similarly shocking and terrible incident.

The incident involving Mr Sarel Singh has not completed its way through the courts. However, in the 2005 case a series of fines was issued to both Baiada and the contracting company which employed Mr Azzopardi. Unfortunately the contracting company became insolvent. There are a number of issues

highlighted by this case relating to the use of contractors and the diminished responsibility and care for occupational health and safety that is often a result of the contracting out of workers within a factory.

These matters are dealt with in a report released this week by the National Union of Workers entitled *Better Jobs 4 Better Chicken — Poultry Industry Discussion Paper*, which highlights a number of concerning developments in the poultry industry. Poultry is an expanding industry, with chicken and other poultry meats increasing as a proportion of meat consumed within the community. I am sure all members would want those who work in the industry to return safely and without injury after each day at work. I am sure that is a sentiment shared by all members.

It would be useful for the Assistant Treasurer to meet with workers from Baiada Poultry to enable them to share their experiences and for him to gain firsthand accounts of the industry and its less savoury side. There was an industrial dispute; however, those matters have been settled, and it is now an appropriate time for the Assistant Treasurer, free of any connection to other industrial matters, to meet with the workers at Baiada to gain a greater understanding of the shocking and terrible issues that exist within the poultry industry.

Health: energy drinks

Mrs BAUER (Carrum) — I wish to raise an issue with the Minister for Health. The issue I raise concerns the health effects of alcoholic and non-alcoholic energy drinks in Victoria. I recently met with some constituents of mine whose 16-year-old daughter died last year after consuming three alcoholic energy drinks at a party she was attending. While the coroner's report was inconclusive, it appears that her death occurred not long after consuming these drinks, which again raises the issue of the health effects of alcoholic and non-alcoholic energy drinks, policing the sale of alcohol to underage drinkers and the regulation of alcoholic energy drink manufacturers and distributors.

Energy drinks have been popular with teens since they appeared on the Australian market in the early 2000s. They have high levels of caffeine and guarana, which is a plant extract and stimulant similar to caffeine. It is these ingredients which give consumers an energy hit. High levels of caffeine in guarana have been linked to increased blood pressure and could possibly cause arrhythmia. Excessive intake of guarana may cause vomiting, dizziness, seizures, irregular heartbeats and death. I am advised that adding alcohol to this mix increases not only this high but also the health risks.

These drinks are becoming increasingly popular among teenagers looking for the stamina to party long and hard. I believe there is only one alcoholic energy drink available at Victorian retailers. It is a vodka and energy drink hybrid containing 7 per cent alcohol. It also contains 2.07 milligrams of caffeine per 30 millilitres. This is relatively low when compared to similar drinks, which contain approximately 10 milligrams per 30 millilitres; however, the addition of alcohol presents more problems — —

The SPEAKER — Order! What action is the member seeking?

Mrs BAUER — I apologise. I raise concerns about the health effects of alcoholic and non-alcoholic drinks — —

The SPEAKER — Order! And what action is the member seeking?

Mrs BAUER — I wish the minister to investigate and consider these effects. While there are limited brands of alcoholic energy drinks on the market, young people have been known to make their own by adding alcohol to any one of the large number of non-alcoholic brands on the market. Of even more concern is the number of online operators offering homemade versions at discounted prices.

No comprehensive study has been conducted on this problem in this country. However, while no data is available, there have been a number of deaths in Australia that are suspected of being a result of excess consumption of energy drinks. In its November 2011 report on alcohol and caffeinated energy drinks, funded by the Foundation for Alcohol Research and Education, Turning Point found that there was an urgent need for research. I ask the Minister for Health to consider ways to develop a clinical base of knowledge about alcoholic energy drinks and to make this available.

Public transport: park-and-ride program

Ms RICHARDSON (Northcote) — The matter I wish to raise is for the Minister for Public Transport, and the action I seek is for him to restore funding to the park-and-ride program, a program that was established under Labor and designed to get more people off our roads and onto the public transport system.

One of the most common complaints I hear right around the public transport system is the difficulty in finding car parking spaces and that those car parking spaces that are provided are not quite up to scratch, particularly in winter. I have also heard the complaint, 'I missed out on the last car parking space so I have had

to drive into work for the day'. With the latest patronage figures confirming that we have had a significant increase particularly in bus and tram patronage — not so much on the trains — clearly we need to provide a greater number of car parking spaces.

What possible reason did the minister have for slashing the park-and-ride program in last year's budget? Let us be clear: he replaced it with a piecemeal car parking strategy. Let us put the dollars into some sort of perspective to make it clear what has happened here. Prior to the last election Labor allocated over \$56 million for an extra 2060 places. In the last budget the minister provided only \$2.5 million. The budget papers also revealed that he left \$4.8 million of funding from the budget allocation in the previous year unspent, despite the urgent need to upgrade car parking spaces around the network and provide additional parking.

This go-slow approach is clearly not good enough. It is having an impact on commuters' interaction with our public transport system. There are some who would argue that we do not need additional car parking spaces and that that is not the way to go. What we need to provide is greater connectivity by increasing buses, trams and other modes of public transport to get ourselves to the train network. The problem there is that the minister did not provide a single cent for additional bus services. He did not honour his commitment to provide 10 more new trams either, so it is not as if we can look at an alternative policy that he is prepared to promote or that he will bring forward to solve the problems we are facing.

After slashing the park-and-ride program, the minister has failed to provide any additional funding for buses or trams, despite the commitment he gave prior to the last election. Clearly where this leaves commuters is very much worse off under his watch. He needs to get on with the job of providing a solution to the public transport woes of Melbourne and the rest of Victoria, as he promised prior to the last election, and he needs to get on with it as a matter of urgency.

Frankston North: community renewal program

Mr SHAW (Frankston) — I wish to raise a matter for the Minister for Community Services. The action I seek is for the minister to consider granting approval to a proposal made by the Frankston North Community Renewal Strategic Partnership Group for an integrated professional services hub in Frankston North to be funded from the Community Renewal Flexible Fund.

Frankston North is a fantastic, vibrant and resilient community which has faced ongoing challenges in

terms of economic disadvantage, social dislocation and access to services and employment. However, the at times untold story of Frankston North is that of a community that is passionately proud of the Pines, as Frankston North is affectionately known. I play super rules football, and our home ground is right next to the Pines.

Over the years the locals of Frankston North have been involved in efforts to renew and strengthen their community. Longstanding efforts have been made by community organisations such as the Frankston North Community Group, and I would like to acknowledge the president of that group, Mrs Margaret McGrath. This is why the community renewal initiative has been fantastic for Frankston North. The community renewal initiative has sought to put local residents in the driver's seat, so to speak, with decisions being driven by the local community and local services ensuring that the government at both the state and local levels is meeting needs — —

Ms Thomson interjected.

The SPEAKER — Order! I ask the member for Frankston what action he is seeking.

Mr SHAW — The action I seek is for the minister to consider granting approval to a funding proposal made by the Frankston North Community Renewal Strategic Partnership Group.

I would also like to commend the former government for taking this approach to community renewal. The proposal for the integrated professional services hub stems from a vision for a facility in Frankston North to accommodate community workers in order to provide ease of access to services for families and young people in particular. Services envisioned include youth workers from Frankston City Council, expanded meeting spaces for local community groups and attracting services to the area, particularly those that increase opportunities for economic participation through employment.

I would also like to thank all those from Frankston City Council who have been involved in the Frankston North community renewal project and who stand ready to contribute substantially to this project, as well as the staff of community organisations and government departments who have been involved. Above all else I would like to thank the members of the local community who have worked tirelessly for years, and in some cases decades, for Frankston North and who deserve recognition for their efforts. Without them and

the support and participation of the local community, initiatives such as this would not come to fruition.

I commend the Minister for Community Services for her commitment to a policy to support great communities like Frankston North, and I ask that she give serious consideration to funding the integrated professional services hub as proposed by the Frankston North community renewal team.

Ms Asher — On a point of order, Speaker, the member for Footscray was on her feet wishing to take a point of order, as is any member's right at any stage, but there has been a longstanding convention in the Legislative Assembly that during the adjournment debate points of order are to be taken only at the end of the debate. Obviously the rationale for that has been that otherwise there would be points of order being taken all over the house, which would be a problem because members have only 3 minutes to raise their matter. I am wondering whether you would regard this as an opportunity to look at this issue and whether you could provide some advice to the house on how points of order should be dealt with during the adjournment debate.

The SPEAKER — Order! I will take that into consideration and provide an answer to it. There were two government members whom I had to interrupt because they did not make clear the actions they were seeking. In my ruling regarding points of order raised during the adjournment debate I may emphasise the fact that if members are going to raise an adjournment matter, they should name the minister they wish to address it to and the action they wish the minister to take in their opening salvo.

Responses

Ms ASHER (Minister for Innovation, Services and Small Business) — The member for Seymour raised an issue with me. She asked me very specifically to confirm whether there is any government assistance being provided to the production of a film that is being filmed in her electorate. I thank her for her support for the film industry, and I thank her for her understanding that filming in her electorate could in fact accrue an economic benefit. People often think of film as simply something cultural, but there is also a significant economic benefit to film production.

The coalition government is committed to strengthening Victoria's screen industry for the two reasons I have just outlined, and one way of doing that is providing incentives and attracting productions to the state. It is very important that these productions are not

attracted just to Melbourne but that they are also attracted to regional areas, because that would help deliver increased production and business activity as well as bolster economic activity in regional areas.

I am pleased to advise the member for Seymour, although I expect that she is already aware of this, that since December 2010 the coalition government has supported a total of 40 local and international film and television projects, resulting in estimated production expenditure of more than \$200 million in Victoria. I completely understand that the member would be requesting assistance for filming in her area. That figure of \$200 million includes support for five regional projects, resulting in estimated regional expenditure of around \$1.5 million. Regional projects that have been supported by the coalition government include *Beaconsfield*, *Miss Fisher's Murder Mysteries*, *The Playbook*, and the AFL movie *Blinder*. Members may be familiar with some of these.

In terms of the specific issue raised by the member for Seymour, I am delighted to announce today that the US-based Sony Pictures Television is producing a TV pilot north-east of Melbourne around the Goulburn River and Lake Eildon. The coalition government is supporting the production of *The Frontier* through Film Victoria's Production Investment Attraction Fund and the Regional Victoria Location Assistance Fund. The Production Investment Attraction Fund provides support to encourage producers to bring 'footloose' projects to the state of Victoria, and the Regional Victoria Location Assistance Fund encourages filmmakers to utilise locations outside metropolitan Melbourne and to attract these footloose productions to use locations in regional Victoria. One of the drivers of this, as I said, is to bring economic benefits to regional Victoria. I am delighted to advise the member that production of *The Frontier* TV pilot is located near the towns of Thornton, Alexandra and Mansfield. The total estimated spend across Victoria of this is \$6 million, and the estimated job creation from this project is 100 jobs.

In terms of the member for Seymour's electorate, and indeed the member for Benalla's electorate, we are hopeful that the region's small businesses and communities will benefit from the flow-on effects as a result of increased activity in the region. I am sure that the member for Seymour will be interested to know that it is expected that the project will potentially engage 300 local extras. Productions like *The Frontier* give local crew technicians the opportunity to gain experience on international projects, and that bolsters their skills and experience and the industry's skill base overall. I thank the member for Seymour for her

interest in not only film but, more importantly from my perspective, economic development in her electorate.

Ms WOOLDRIDGE (Minister for Community Services) — I am very pleased to respond to the member for Frankston on his adjournment matter this evening. The community renewal program is a very important program that we continue to support. It is an interesting time for the community renewal initiatives as they transition from the start-up stage to the ongoing sustainability stage, and a big part of our focus has been to help those community renewal initiatives to become stand-alone, long-term and sustainable, embedded within the community and of the community. They are very important initiatives and are making some good progress.

The member for Frankston has been a great advocate for, and is chair of, the community renewal initiative in Frankston, and he spoke very eloquently about the engagement with the broader community in relation to the work that is being done. I am very pleased to be able to inform him and his community in Frankston North that we will be funding the integrated services hub to the value of \$150 000. It is an important initiative that he has been advocating for for some time during consideration of this project.

This initiative will bring together the integrated services hub in an existing council-owned building that has largely been underutilised. It will bring offices, additional meeting spaces and accommodation for professional, community and health services into the one location, and it is very much being done in partnership with the local community and the local service providers as partners and tenants. The relocation of services into this integrated services hub will make a real difference to the community of Frankston North in terms of the accessibility of these important services.

I want to thank the member for Frankston for his leadership, recognition and support for the local community in supporting the investment from the state government through the community renewal process and being able to deliver this. The good thing about community renewal initiatives such as this is they leverage further investment, and the \$150 000 from the state government will leverage a total overall investment of \$350 000, which is a great outcome for the member for Frankston and his community.

I am pleased to be able to put this in context as there will be investments across five areas, including in Bayswater North, where the community renewal initiative is being chaired by the member for Kilsyth, and in Hampton Park, where it is being chaired by

Mrs Peulich, a member for South East Metropolitan Region in the other place. The Chelsea community renewal initiative is being chaired by the very strong member for Carrum, who was actually involved in it in her capacity as a councillor and now has that role of chair in her capacity as the local member. There is some good investment being made through her strong advocacy in that project. The Rosebud West community renewal initiative is being chaired by the member for Nepean. All in all, over \$800 000 is being invested in community renewal. It is a very important investment, and I thank the member for Frankston for raising this tonight, for his ongoing advocacy and for the difference this investment will make to his Frankston North community.

Mr DELAHUNTY (Minister for Sport and Recreation) — I rise to respond to a matter raised with me tonight by the member for Mildura, who, as we all know, has been a strong advocate for his community in Mildura since his election, particularly in relation to sport within his community. I will be in Mildura on the weekend to spend some time with the member for Mildura. I know he is very passionate about a couple of the things going on up there, and I will be up there to have a look at those proposals.

The issue the member raised tonight was regarding the community of Nangiloc and Colignan. It is a strong and functional community with a population of about 600. I worked up there a few years ago and I know the locals are very passionate about their community, but it obviously needs support, particularly for the bowling club that the member spoke about tonight. The member tells me there is no lighting at the facility and that the closest bowling facility with lights is about 40 kilometres away. I am also told there is strong demand in the community for these lights due to the special bowls competitions held there. There are many different forms of bowls being played today, including barefoot bowls, and there are various bowls events. I think that is a fantastic initiative by Bowls Victoria and indeed Bowls Australia. I know one of the clerks here is a strong and passionate bowler.

Like all sports, bowling brings communities together, and evening bowls is becoming more and more important, particularly in the Mildura area as it gets very hot there in the summer. On a hot summer night you would not find a better facility to play night bowls at than the Nangiloc Recreation Reserve. It is a priority of our government to provide facilities like these, and we are working hard to do that.

As you know, Speaker, sport and recreation facilities bring communities together, and I think that has been

highlighted by the drought and floods. I also think that for our multicultural communities sport is a great way of bringing communities closer together. Sport is often the centre for communities, particularly in country areas like the one that the member for Mildura represents. It does not matter what age you are, bowls is a sport which can be played from a very young age right through to old age. I went to the Australian Open at the Darebin City Bowls Club a couple of weeks ago, and I saw some young people who are really taking the playing of bowls by the horns. They are doing a great job and they are doing very well. It is a pity more people do not take up bowls at a younger age.

By investing in high-quality, accessible community sport and recreation facilities we will go a long way to addressing some of the reasons I talk about for getting more people more active, more often: it is good for our physical and mental health, and as I said, it brings communities together.

Tonight I am pleased to announce to the member for Mildura that this government will provide \$22 000 from the latest round of the community facility funding program, under the minor facilities component, to install new lighting at the Nangiloc Recreation Reserve. These new lights will allow the local bowls club to host competitions and events, allow more flexible hours for training and provide a safe environment to play the great game of bowls. Congratulations to the member for Mildura.

Mr R. SMITH (Minister for Environment and Climate Change) — The members for Kororoit, Clayton, Mount Waverley and Northcote all raised issues for the Minister for Public Transport, and I will pass those on.

The member for Broadmeadows, whom I see has left the chamber, raised an issue for the Premier, and I will pass that on.

The members for Preston and Carrum respectively raised issues for the Assistant Treasurer and the Minister for Health, and I will pass those issues on.

The SPEAKER — Order! I declare the house adjourned.

House adjourned 4.47 p.m. until Tuesday, 17 April.