OBSTETRIC AND PAEDIATRIC MORTALITY AND MORBIDITY

Thursday, 21 October 1993

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 10.3 a.m. and read the prayer.

OBSTETRIC AND PAEDIATRIC MORTALITY AND MORBIDITY


Laid on table.

PAPERS

Laid on table by Clerk:

Film Victoria — Report, 1992-93.
Health Promotion Foundation — Report, 1992-93.
State Film Centre Council — Report, 1992-93.


Statutory Rules under the following Acts of Parliament:
Boilers and Pressure Vessels Act 1970 — Nos 188 and 189.
Instruments Act 1958 — No. 185.


Second reading

Debate resumed from 20 October; motion of Hon. R. M. HALLAM (Minister for Regional Development); and Hon. R. M. HALLAM's motion:

That the Council take note of the Budget Papers, 1993-94.

Hon. P. R. DAVIS (Gippsland) — I congratulate Ms Asher on her exposition of the Budget strategy and her effective rebuttal of the opposition's criticisms of it. She made clear the error of the opposition's thinking on the four-year plan to adjust Victorian government finances. Ms Asher properly highlighted the failure of the Australian Labor Party to understand the situation — or indeed, when in government to act responsibly — and I thank her for shortening my speech considerably.

The level of support from commentators is readily apparent. I shall refresh the memories of honourable members about what the commentators have said of the Victorian Budget. On 5 September the Australian observed:

When Victorians elected the Kennett government last October they gave him a mandate for austerity.

Some criticism has been made of the Victorian government's Budget strategy of austerity. The opposition has persistently criticised the Budget's approach, but commentators and the community at large support the need for restraint. It is pleasing that the new Leader of the Opposition, Mr Brumby, supports the concept of a balanced Budget and has made a commitment that, when in government, the
Labor Party will not borrow to fund recurrent expenditure.

An article by John Stone in the *Australian Financial Review* of 8 September states:

If we were to find the Victorian Secondary Teachers Association, or its mainly primary school counterpart, praising this Budget, not only Victorian taxpayers but also the Victorian people generally, would have real cause for concern.

In that sense one cannot help but feel that had the government been praised by the ALP it would have had cause for concern because it appears that the ALP learnt nothing from its 10 years in government, and nothing from its past 12 months in opposition, about financial responsibility and economic management. Further support for the Budget was demonstrated in the *Age* of the same day:

Getting its own finances in order remains the government's key challenge ... Victoria's finances were poisoned by years of mismanagement and they will not be returned to anything approaching real health for some time. This government has made a lot of hard decisions, most of which we believe were necessary.

A strong body of opinion supports the Budget strategy, not just in commentaries but also politically.

The Federal government clearly supported the economic direction of the Victorian government by supporting its redundancy program and the borrowings necessary to achieve a fiscally responsible outcome through downsizing of the public sector. The payback period for those borrowings is in the order of 18 months to two years. On simple business management principles any investor would say that is a good result.

In effect, the Leader of the Opposition in another place and the Federal government are supporting the direction of the government's Budget decisions. It is regrettable that the only way the opposition thinks it can deal with the direction the Victorian government is taking is to level personal attacks at members of the government. It is most disappointing indeed.

I was interested to hear the contributions made yesterday by opposition members. In particular, Mr Mier and Mrs McLean said we should be considering the unemployed and the future. Indeed, that is what the government is doing. Mr Mier suggested that the Nicholls report, which was commissioned by the previous government, presented a different view of the economic parameters that confront Victoria.

I therefore went to the Nicholls report to see precisely what it says. At page 115 of *State Finance Victoria — Independent Review of Victoria's Public Sector Finances* the total liabilities are assessed as being $56 415 million, with contingent liabilities standing at $3328 million, making a total liability of $59 743 million. So, almost $60 billion is identified by the Nicholls report.

However, at page 87 of the report Nicholls observes:

A more thorough exercise is required to fully ascertain the total level of the State government's financial obligations and their corresponding servicing costs.

When the coalition assumed office it made a commitment to do that. That commitment resulted in the publication in April this year of the Officer report of the Victorian Commission of Audit. The figures quoted by Nicholls were up to date for the financial year ended 1991 and the Victorian Commission of Audit's figures were for the financial year ended 1992.

In accordance with the suggestion of Nicholls that a further examination take place, some further hollow logs with rabbit traps in them were identified. The Officer report states that Victoria has a net debt of $69.8 billion or $47 000 per household, which is accruing at the rate of $2000 per household each year. That is a devastating liability for Victorian taxpayers and the Victorian government to bear.

Mr Mier was critical of the direction of government policies; he said they were Thatcherite policies and that people would not accept them. Although it is not clear why Mr Mier would perceive a connection between the Victorian government's policies and those of Mrs Thatcher, a former British Prime Minister during the 1980s, he is wrong on any account; notwithstanding his observation and criticism of the Victorian government's policies, the results of a public opinion poll published in the *Age* of 2 October, some weeks after the delivery of the Victorian government's Budget and coinciding with the anniversary of the election of the Kennett government, demonstrate clearly that Mr Kennett is supported by approximately 54 per cent of those surveyed and that Labor's support is in the vicinity of 29 per cent.
It is clear that the community at large supports the direction the government is taking. It will continue to do so because the government is fiscally responsible and does not place any credence on the approach of big spending and big borrowing taken by the previous government.

We appear to have an obsession with different economic theories. In speeches on the Budget over the past few days, reference has been made to Thatcherite economic policies, to Reagonomics, and we now have Theonomics. There is consistency in commitment to this particular economic philosophy which is clearly inconsistent with the direction the government is taking.

Mrs McLean said, among other things, that we are a wealthy democratic society. That may be true for people who are currently working in sheltered workshops in Australia, particularly those employed in government. In the real world — in the business sector and in small business in particular — and for those nearly 300 000 Victorians who are unemployed this does not appear to be a wealthy democratic society. That is the result of mismanagement by successive Labor governments at the State and Federal levels.

Mrs McLean said that we had discarded a generation. Although that may have been the case prior to the last State election, clearly the government elected on 3 October 1992 is committed to the current generation. The strategies the government is putting in place are designed to lower the burden of liability on our children. I thoroughly support that strategy. One of the priorities for parents in making judgments and decisions at a personal or business level is the effect they will have on their children.

Mrs McLean referred to the level of debt of the State of Victoria. In what was either a slip of the tongue or an acknowledgment of total confusion about what the debt actually is, Mrs McLean said that the Victorian debt was between $1 billion and $1.5 billion. She was evidently referring to her assessment of the current account deficit without understanding the difference between deficit and debt financing.

One of the fundamental problems with the approach of the Victorian Labor Party in recent years has been that its members have not understood the basic principles of economics or been able to distinguish between deficit and debt. That is an extraordinary situation for members of Parliament to be in.

Mrs McLean criticised the health system and said that the government had been cutting back on health expenditure. All government departments have suffered cuts which, although regrettable, were necessary as a result of the position in which the government found itself.

It is illegitimate to criticise the savings programs without producing evidence to support the claims made about their effects — and it has been made very clear that the figures do not support her arguments.

Notwithstanding the Budget savings, access to treatment in our hospitals has already improved in this financial year. There has been a 26 per cent decline in the numbers on the urgent waiting list category — category 1 — and the balance overall has fallen by 5 per cent. The number of patients treated in Victorian hospitals has significantly increased. For example, the number of patients treated in August 1993 was 6739 more than the number treated in August 1992. Notwithstanding the Budget savings and the government's economic strategy, better outputs have been achieved by implementing efficiencies in the way programs are funded. Because the principal purpose of a State government should be to ensure the delivery of services, the health industry should be congratulated on identifying an effective method of funding acute hospitals — that is, case-mix funding — and achieving improvements in productivity.

The challenge facing the government is to restore confidence in the Victorian economy, in business investment and in public administration. The latter is a daunting challenge, which the government is expressly addressing and for which it is receiving a good deal of support. One of the key components of that is the reform of government business enterprises, by which the government is trying to improve the competitiveness of Victorian firms and industries. The need to reform those enterprises will become clearer to the community over time. But as policy makers we have come to understand that we have been delinquent in our management of public sector enterprises when compared with management practices in the private sector.

I refer to the revealing comments made by another leading front bench member of the opposition, Mr Theophanous, about policy directions and an alternative view, as he called it. On the one hand, Mr Theophanous made great play of the theories of John Maynard Keynes, particularly his approach to the pump priming of economies. Mr Theophanous...
said unequivocally that the government should refrain from increasing levels of borrowing. I support that view, and I am pleased that he thinks it is important.

As I said, Mr Theophanous proffered an alternative to the government's strategy. I shall reflect as accurately as I can the import of the figures he cited. He argued that the government should not continue to seek 14,000 public sector redundancies this year. He argued instead that the government should aim for a figure of 8,000. That would mean that an additional 6,000 employees would be retained in the public sector on the public payroll. Mr Theophanous argued that that would reduce the proposed redundancy payouts from $1.3 billion to $740 million, resulting in a saving of $560 million.

He also asserted that, on a recurrent basis, the retention of an additional 6,000 public servants would cost in the order of $180 million a year. I have trouble with those figures, because I believe they understate the total by 50 per cent.

Hon. W. A. N. Hartigan — That's as close as he usually gets.

Hon. P. R. Davis — In my business, Mr Hartigan, I have not observed that happening very often! The logic behind his proposition defeats me. The adoption of a similar strategy to run a primary school tuckshop would reflect poorly on the parent's committee concerned. Even the parents who run a tuckshop would understand that if they were suffering recurrent losses, they should not borrow capital to expand the size of their enterprise while being unable to repay the interest and principal from a non-existent surplus!

Last night I thought deeply about the proposition. According to Mr Mier and Mrs McLean the redundancy program should not continue. Instead they said the government should be more considerate of the unemployed and create opportunities for people in the public sector. I decided that the proposition was simply Theonomics. In his discourse on equality the 18th century philosopher Jean Jacques Rousseau held that the wealth of the rich is achieved at the expense of the poor. That argument was properly destroyed by Adam Smith but it was certainly upheld 200 or more years ago.

After further considering Theonomics I decided that if 14,000 voluntary departure packages had been scheduled for 1993-94 and that figure was added to the 290,000 Victorians unemployed — accepting the 300,000 people for whom we have a responsibility to create employment — the average cost of creating full employment in one fell swoop, which is understated at $30,000 a year for a public servant, would be $9000 million this year!

According to the theory of Theonomics, which is supported by Mr Mier and Mrs McLean, the employment also has to be meaningful. Creating full and meaningful employment for this project would require further capital. According to the rule of thumb, 50 per cent would be spent on wages and on costs and 50 per cent would be spent on materials — and therefore this figure would double to $18,000 million this year. At the end of the year 300,000 people would be without work and we would have increased the debt by another $18 billion!

Hon. W. R. Baxter — How many would we put out of work in the private sector with all that going on?
Hon. P. R. DAVIS — You may well ask, Mr Baxter. The theory of Theonomics does not require an answer to that question. The unemployed from the private sector could be added to the public payroll. The theory is not about creating employment in the private sector; it is about creating employment in the public sector.

I am astounded that the opposition should put forward such a proposition. Its arguments on economic policy are an appalling reflection of its ability. However, that view is consistent with the stand Labor took while in government. In an article in the *Age* of 8 September 1993 economics editor, Tim Colebatch, comments:

Alan Stockdale's chief goal is to cut out another 18 000 jobs this year: 14 000 through redundancies and 4000 through "natural wastage".

You can't blame the government for this, even if most of the redundancies are its own. It inherited an unsustainable Budget deficit, and it had to get on top of it fast.

... the blame lies largely with Rob Jolly and his colleagues in the Cain government who borrowed in bad times but declined to repay in good times. The result of this only half-Keynesian strategy was that when bad times came again, Victoria was left with no ability to respond.

Paul Keating and his colleagues are equally to blame. At least half their budget savings in the late 1980s came from squeezing the States.

The Labor opposition, which failed as a government, has persistently failed to understand the problems that beset the Victorian economy. It does not understand how Victoria's fiscal arrangements should be managed. It is beyond the opposition to proffer — or acknowledge — an appropriate economic strategy. The new Leader of the Opposition earned some credibility when he said that under his leadership no future government would borrow to fund recurrent expenditure. But within days he opposed changes to the funding formula for kindergartens and attended rallies in support of the maintenance of school staffing levels, which were bloated by the previous Cain and Kirner governments. Notwithstanding the admirable commitment he made upon assuming the leadership, Mr Brumby was soon brought into line by members of the opposition and public sector unions. He is a captive of the public sector unions.

I should like to comment on the approach the government intends to take to reform government business enterprises. On page 9-3 of Budget Paper No. 2 it is stated:

The Victorian government has in train a major program of reform of its government business enterprises (GBEs). The Office of State Owned Enterprises is coordinating this reform program which aims to produce world standard performance by GBEs through increased competitive discipline ... Government instrumentalities should be subject to maximum competition, ensuring that consumers, both domestic and commercial, benefit in terms of price, choice and service.

That is the key element of the government's approach to the reform of GBEs. The document continues:

While the Victorian government recognises its responsibility to ensure the provision of certain goods and services to the public, this does not necessarily mean that the government itself should own and operate core businesses which provide these services.

This proposition, although it will be anathema to members of the opposition generally, has some significant support from the labour movement. It is pleasing to see that the Federal government has taken its own disciplined approach to ensuring maximum competition in the market for the provision of services by privatising certain parts of Federal government activity.

There is plenty of evidence that supports the notion that private sector operations, with the discipline of the marketplace, will generally outperform government-operated enterprises in efficiency and therefore at reduced cost to the consumer. That is supported by Australian Bureau of Statistics figures for 1992 which show a net rate of return on capital of 14.9 per cent in the private sector. Public sector trading enterprises in the same year had a return on capital of only 5.8 per cent, which is a fairly poor comparison.

Further, there have been a number of exercises in trying to make comparisons. I quote from an article in the *Australian Financial Review* of 5 October which states:

A Japanese study has ... ranked workers in Australia's public utilities — electricity, gas and water — at the bottom.
That is in terms of productivity. The article makes a comparison between 11 developed countries in the Organisation for Economic Cooperation and Development. It continues:

the annual average rate of overall improvement in Australian workers' productivity over the 10 years to 1991 was the slowest ...

It is important that we do not look at the issue of reforming government business enterprises just from the point of view of a fiscal base, and the government has not done that. It has approached this matter on the basis that it has an opportunity to improve the delivery of services and at the same time reduce the net cost to the community by way of contributions from government and charges to the consumer.

The New South Wales government has been achieving results by contracting out services. Another article in the Australian Financial Review of 5 October highlights savings of 20 per cent on $417 million worth of government services contracted out since 1990. It mentions a survey of 58 New South Wales government agencies which found that agencies were able to halve building maintenance costs by contracting the work to the private sector and says that information technology costs were typically reduced by 41 per cent through contracting out. One such contract is the contract to Australian Correctional Management to manage the first private prison in New South Wales at Junee. The saving on that move was 27.4 per cent.

Clearly there are significant benefits accruing to the community from a strategic approach to the reform of government-owned enterprises. The Victorian government is intent on pursuing a similar approach.

There are a number of different ways that such reforms can be implemented. The first step is a simple commercialisation: that is, bringing some public sector business enterprises onto a commercial footing so that they reflect the focus of the private sector and commercial organisations. There is also the notion of contracting out which, as I said, has been demonstrably accruing benefits in New South Wales. In Victoria reforms have been made, particularly in the Latrobe Valley in my electorate, where various contracting-out activities have reduced the costs in the power industry.

Further, the concept of corporatisation — which it is important to understand as a mechanism to define more clearly the structure and focus of an organisation — would have a government business enterprise reflecting a commercial approach. Finally, privatisation clearly will require much thought from government because the government must ensure that it does not privatise any business organisation prior to ensuring that there is a structure in place that removes the benefits accruing to vertically integrated monopolies. The real issue or challenge for the government is to establish appropriate market structures so that there is a transparency in performance of government business enterprises which eventually are privatised.

I look forward to the electricity supply industry reforms evolving. Victoria has a major opportunity to create significant benefits for itself by improving efficiency and therefore reducing the total cost to consumers, particularly business consumers, thereby not only encouraging more industries with high energy usage to invest in Victoria but also, if over time the national grid takes hold and develops a competitive market, accruing revenue to Victoria by selling power interstate. It is likely that Victoria will have the greatest cost advantage of any of the States involved in the national grid.

Notwithstanding the brevity of my contribution, I shall endeavour to summarise by saying that the most important aspect of the Budget is that it confirms the strategy announced by the government in October 1992, confirmed in April 1993 and identified with some particularity in the Budget Papers before the House at this time.

The strategy of the government was, is and will remain to amplify its commitment to fiscal responsibility and a balanced recurrent Budget. In the long run it will be seeking to achieve a reduction in the total debt of the State because that, most importantly, will create a significant benefit to the Victorian economy by encouraging confidence in the private sector.

Members of the opposition have proposed that the government ought to increase the level of public sector employment. The community and commentators reject that proposition, and I am sure that, in supporting the Budget, the House will reject it as well.

Hon. LICIA KOKOCINSKI (Melbourne West) — I remind honourable members who are still in the Chamber of the "Jobs Initiative" policy that the Liberal Party went to an election with. Prior to the 1992 election the Liberal Party promised to provide real jobs for between 30 000 and 40 000 Victorians.
One year down the track not only does unemployment continue but the underlying trends of unemployment seem to have increased and 14,500 more jobs have been lost in the metropolitan area and country Victoria. I again remind honourable members of the coalition policy to increase job opportunities — what it called real jobs. It is now safe to say that that policy has completely evaporated.

I should also like to put this year’s Budget into perspective. Just two months ago one full-time job was being lost in Victoria every 3 minutes. Every day 500 Victorians lost their full-time jobs. By 1996 that would be the equivalent of four Lower House seats, if the trend were to continue.

Hon. R. M. Hallam — Where are you getting these figures from?

Hon. LICIA KOKOCINSKI — State Finances and Public Policy in Victoria. In August and September 20,000 full-time jobs were lost. In August the unemployment rate was 13 per cent, although that reduced slightly in September. However we still have the highest unemployment rate in Australia, and the trend is that we will continue down that road for many years.

When elected the government said it would reduce State debt, but because of its own actions that debt is increasing and will continue to increase for several years. It has increased from $18.8 billion in 1992-93 to $21.8 billion in 1993-94 and will rise steadily to $22.7 billion by 1994-95. Depending on government action there is some talk that it may reduce. I am not sure whether one can look into the crystal ball as far ahead as that.

Hon. R. M. Hallam — So the crystal ball will show when it will increase but not when it will decrease?

Hon. LICIA KOKOCINSKI — The public sector net debt increased from $31.7 billion to $36 billion. Most of that has been incurred to pay for redundancies, and we all know about the 30,000 jobs lost in the public sector.

When announcing some school closures last year the government said it would not announce any more. Since then some 150 to 200 schools, depending on one’s definition of whether a merger is a closure, will be closed by 1994. The new staffing allocations determined by the Minister for Education will force many schools to close because they will not have the staff to deliver their programs.

The Minister for Community Services promised, and he still insists on, a policy of one year of preschool education for all four-year-olds. Due to the cuts announced in the Budget, kindergartens will have to increase their term fees from 20 per cent upwards, and without a shadow of doubt many kindergartens will be forced to close. That will be for two reasons: firstly, because parents will not be able to afford to send their children there and, secondly, because of the funding cuts many will no longer be able to stay open. They will not be able to raise the $20,000 to $30,000 annual shortfall that will be required to make up the difference in funding.

Because of population trends in many areas one would expect kindergartens to have increasing enrolments for several years ahead, but that is not happening. In fact, Frankston is an example — I addressed a rally there recently — of an area with declining enrolments despite the fact that it has a population increase. Kindergarten enrolments in the Frankston area for 1994 have declined by 40 per cent. It has nothing to do with population trends; it is because parents can no longer afford to pay the 20 to 50 per cent increase in fees. I remind whatever members opposite are in the Chamber that these kindergartens should have a full complement of four-year-old children.

Another promise made by the government was that child protection would be a priority. I do not see that priority reflected in the Budget.

Contrary to what the government is saying, taxes and charges to ordinary householders have increased to approximately $1,500 a family. The tobacco franchise for those who still smoke has been increased by 60 cents a packet; electricity, gas and water charges are up 10 per cent; and the State deficit levy, which was struck last year for the first time and is probably ready to go out again any time between now and Christmas, is another $100 for families to pay regardless of their incomes or the value of their properties. That is an extremely regressive tax.

All of that directly affects the spending power and wellbeing of families. What is the extra revenue to the government? It is about $1.6 billion; yet, we are told that the underlying deficit of the Budget is approximately $1.5 billion. I do not know about other honourable members; my knowledge of maths is not too hot but I would imagine the Budget to
have a minor surplus with those extra revenue measures. Despite that the government continues to slash major services. It does not cut back only on “Rolls Royce” services; it cuts back on services vital to the wellbeing of the community.

I refer now to maternal and child health services. New mothers are being forced out of hospitals 48 hours after they have had their babies, even though the Minister for Health denies that. That is fine if the new mothers want that, if they can cope, if they have family networks or other adults at home who can help and if a good home nursing service is available to check on their physical progress. However, if that does not exist, the health of mothers and new-born babies is in danger, and the happiness of the entire families is undermined.

The Minister for Health continues to say that the health cuts that she has announced will not affect services. I ask whether the Minister knows about the outbreak of an infection in the babies ward at the Western Hospital earlier this year. I understand she has a close working relationship with that hospital. The overcrowded babies ward was forced to close after an infected infant was placed in the ward because there was no room for the baby to be treated anywhere else in the hospital. Within a few days, all 20 babies in that ward were infected and the ward had to be closed. This is not a fairy tale; it was told to me by one of the workers at the hospital who does not have an axe to grind but who is concerned that babies may have died. The government does not understand the impact of its policies on the ground.

Patients are being sent home from hospital before they have fully recuperated from illness or surgery. That is happening because the government is insisting on higher and higher throughput in hospitals. When domestic nursing facilities are being cut back and they are not available to visit patients at home, the care of a sick person is problematic, particularly in two-income families where both work outside the home. Early discharge from hospital is appropriate only if support services are adequate. That is not currently the case and families are now becoming responsible for continuing the health care that should be delivered by hospitals or care services. That is a direct result of the cuts the government is inflicting on the community.

I refer now to the appallingly low morale within the Teaching Service. I probably know more than most about how teachers are feeling because my husband is a teacher and I hear the news about how they relate to each other, to parents, to principals and to school councillors. Teachers are scared of and principals are worried about the government’s policies. Teachers are afraid that they may be declared in excess and that if they look the wrong way at any point in time they will lose their jobs. A person cannot teach adequately and freely with this poisonous atmosphere in the schools. Those fears exist not just in the secondary school sector but are also in the primary school sector.

The opposition is also resentful of how this government insists on schools being treated as small businesses. By and large, principals feel the same way. When negotiations were taking place for new staffing arrangements and when the Minister was trying to buy off the principals by offering them cars and private school fees as part of their salary packages — that says a lot about the Minister and his attitude to State education — the principals said that they were educationalists and that their job was to run schools and not small businesses. They said that if they had wanted to go into private business they would have done so, but that they are educationalists. The government should take heed of those statements. The government’s policies are wrong and they will haunt it in the years ahead.

Mr Davis said that many opposition speakers had referred to the ideological underpinnings of the government and the opposition. Whether honourable members like it or not, they all hold a collective sense of values which are articulated in the policies of each party. The government is no exception. The actions of all honourable members are not value free; in fact, they are loaded with values.

I shall refer to a statement the current Premier made in 1985 because this Budget is an extension of the Liberal Party’s ideology and reflects it succinctly. It is the opposition’s job to try to demolish that theory, to say that it is wrong and that it is leading Victoria down a dreadful path. In a Victoria Foundation publication, Mr Kennett is quoted as saying:

"We will follow a policy of systematic and continuing restraint in government. To cut the cost of government and free up both the economy and society, we will totally revise the role and the powers of government. We will not merely halt Labor’s irresponsible expansion of the public sector, but drastically reverse it."

That speech was delivered at a luncheon for the Committee for Economic Development of Australia luncheon on 1 February 1985. The Premier has not changed his views.
In 1991 he made what has become a famous speech on his view of the public sector, which is recorded in Hansard. That was the year before the 1992 election. I quote further:

If we are to create a brighter future a fundamental change of attitude is necessary: we must all realise that there is no business called government.

How about that?

Governments do not create $1 of wealth —

Honourable members will recall that most famous line —

they do not employ one person; they do not pay for one service. Only members of the public and viable businesses give to government the money necessary to employ others and, in turn, to provide services to the community ... A primary goal of the coalition is to be an efficient agent while creating an economic environment in which people and business can create wealth and employ Victorians.

Well, how very wrong on all counts! The public sector is not viable, says the Premier. The Premier wants to set the scene for more wealth and the employment of more Victorians. It is not happening. It will not happen while the government continues on this path.

Members of the coalition have totally embraced the philosophy of the economic rationalists. That is nothing new. We have been saying that for some time. Their Federal coalition colleagues are also embracing that philosophy. Their confidence and blind faith in it are very disturbing. Most disturbing is that, according to the economic rationalists, they can never be wrong. The more these policies fail and are shown to fail, the more people are told they have not had enough economic rationalist medicine. In other words, more Public Service jobs have to be cut, more taxes have to be raised, things must be made harder for people, and the wages of ordinary people slashed even more — supposedly, to create wealth.

Improvement is not happening, and it never will. It did not happen in Britain or in America, and it will not happen in Victoria.

We are told that the failure of this ideology to develop jobs and increase growth or improve the quality of life is due to the fact that for some reason economic activity is still being hijacked by interest groups: the market is not free. We are told, in fact, that any group that has a vested interest in maintaining services or conditions is to be pilloried for being an interest group and hijacking the agenda. We are led to believe by the economic rationalists that government is supposed to be value-free, which it cannot be.

The Premier and the Treasurer may very soon balance the current account — and, from the point of view of the opposition, they have done that. They may have achieved the dismembering for many decades to come of our Public Service; yet they have not, and they do not address them in this Budget, addressed the major weaknesses of the Victorian economy and our social system.

What are the major weaknesses? All honourable members know: we have low growth; we have high unemployment; there is a lack of industry policy; there is failure of the government to develop infrastructure; the government is failing to deliver adequate services to the community; and there is still a lack of confidence in the community. The lack of confidence in the community is illustrated by the lack of investment in Victoria. Even though the Premier said this morning on the Neil Mitchell radio program that confidence is coming back, it clearly is not. The only way confidence will come back to the State and be shown to come back to the State is when people invest, but we are still experiencing an investment drain.

This government of economic rationalists does not understand, and economic rationalists cannot understand, the diversity of our social and economic experience. This government has assumed, and it is illustrated in the Budget and in the coalition’s underlying policies, that everything can be quantified and put into dollar terms, that the only worthwhile things are those at the cheapest cost, regardless of the quality. As I said earlier, the price is everything but the quality is nothing. Unfortunately, as I have said previously to honourable members, if you dish out the peanuts you get monkeys!

I shall illustrate what I am talking about. There are major differences between the way conservatives or liberals, people in the true liberal democratic tradition, handle the economy and the way economic rationalists handle it. That is clear. It is being illustrated now. The mystique of the economic rationalists is being exposed and it is disappearing. The true democratic liberals understand how the social fabric sticks together. We value our true liberals, and they are not the people opposite — I am talking of liberals in the philosophical sense. They
value our award system as an orderly way of recompensing our workers through wages. Small-l
lifers know that a well paid and well treated
worker is, in fact, a good worker.

In the true democratic liberal tradition in Victoria,
we have prided ourselves on developing the best
education system. Again, that is because we value
education. We value education as a precondition to
moving forward into the 21st century. Under the
traditional liberal democratic values we value our
social institutions. We value families, and we like
our families to stick together. We value
communities, and we value even our public
holidays because they are important in celebrating
the different events and milestones in our history.
Under the true liberal democratic tradition we
recognise that although the individual is important,
a common good or a common goal is a more
admirable result than the chasing of individual
pursuits. Importantly, the pursuit of a common goal
provides one of the cohesive elements in our society.
This government does not recognise or acknowledge
the non-economic values of our system.

I shall illustrate another aspect of how these
economic rationalists differ from people who follow
the traditional liberal democratic outlook.

I refer to the closure of schools both in Melbourne
and in regional areas, and the abandonment of rail
routes and stations. These three examples are where
the destruction of these institutions slowly destroys
and wipes out communities. The government argues
that cuts in these areas are important on economic
grounds. Again, it is the attitude of the price of
everything but the value of nothing. There is an
absolute failure, a total and dismal failure, to
understand or acknowledge the symbolic
importance of these institutions.

In country towns rail routes and rail stations not
only provide cheap transport for people but also
reflect the history of the region. They contain the
culture of country towns. If the bricks of those
railway stations could talk, they would tell some
wonderful stories about the development of their
country towns and how these regions grew. The
spirit of these towns is embodied in their schools
and in transport.

I shall refer to schools. What the government has
failed to look at is the importance of country schools
in keeping communities together. In fact, they are
the focus of many communities. Many of these
schools have existed for a hundred years.

Generations of families have attended them. They
link the communities together as nothing else can.

Rural schools provide a bond, a mechanism that
keeps the farming community together. Activities
are centred around such schools; they are not only
educational outlets but also the bases for other
community activities. Parents, teachers, children and
the suppliers of goods all get to know each other
through their school contacts.

Integral to the development of any liberal
democratic theory on society is faith in the public
sector. However, this government does not have that
faith, which is vital in providing the goods and
services. In the past the Premier has said that the
government does not create a dollar of wealth. That
is a tragic view, because the public sector provides
services the private sector cannot or will not
provide. As the pubic sector goes farther down the
path of the privatisation, its valuable public services
will disappear.

Another factor in liberal democratic theory is that,
until 1990, all conservative governments were, for a
number of reasons, interventionist. One way of
ensuring the basic distribution of goods and services
to those without purchasing power is government
intervention. But this government cannot and will
not address issues of equality and justice; it neither
looks at the impact of closing kindergartens nor
realises that by doing so many parents may not be
able to afford to have their children attend them.

The government should be making it easier for
children to enter the formal education system. In my
province kindergartens will close; children will no
longer able to attend kindergarten. As a result the
gap in educational achievement will return to that of
the 1950s and 1960s. The government cutbacks have
not taken into account the impact on the programs
schools deliver. The public sector provides the
important services that families cannot provide.

Under a liberal democratic theory governments of
all persuasions have determined that schools are
important; they provide expanding opportunities for
children, opportunities they would not and cannot
get elsewhere. Because of the Budget cuts and
cutbacks in prior economic statements, school
excursions have been slashed or totally abolished.
Remedial teaching for children with mathematics or
language problems is disappearing because the
schools cannot afford the teachers. Career
counselling for senior students has been abolished or
drastically reduced, sporting activities are
non-existent, music is now considered to be a “frill” and integration services for children with disabilities are being downgraded. The teaching of languages has also been cut back. All those programs should be available as of right.

Liberal economic rationalists rarely undertake research on the ground to gauge the impact of their policies. I have often heard Ministers say at public meetings, media briefings and in general that the Budget cuts will not have any detrimental impact on the community.

As an example of the blindness associated with following the economic rationalist path, some time ago I attended the annual meeting in Box Hill of an advocacy group for intellectually disabled children. The Minister for Community Services, Mr John, addressed the meeting. What a performance! He lost about 150 votes that night. He said the funding cuts had no impact on the development of the residential units or on the availability of respite care. The parents told the Minister, “I can’t get my child into a residential unit for a weekend so that we can enjoy some respite. There are not enough carers or medical professionals to assist our children in times of crisis”. In reply, the Minister said there had been no impact. He insisted that what was happening on the ground was imaginary. He intimated they were lying and that the parents’ experiences were figments of their imaginations. That is a case history of a Minister’s response.

I have spoken with kindergarten teachers, but the Minister says the cuts will not affect the availability of preschool education. A 40 per cent reduction in kindergarten enrolments has occurred in Frankston, not because of population changes but because the parents cannot afford kindergarten fees. The City of Keilor will close six kindergartens in 1994 because parents are choosing not to enrol their children. Both those areas are population growth areas.

What will be the government’s legacy if it continues to introduce Budgets like this? So long as the government needs funds for redundancies the State debt will remain high. The government will continue to run down infrastructure. Meanwhile the income streams from privatised utilities will be non-existent. The new taxes and charges imposed in the past 12 months mean Victoria is now the highest taxing State, and opportunities for extra revenue raising very limited.

When the government eventually loses an election — which we believe will be 1996 — little scope will remain for increasing revenue. The community will have already been taxed to the ultimate.

Lastly, and more importantly, the government is destroying many of the State’s valued institutions.

Hon. K. M. Smith (South Eastern) — It gives me great pleasure to contribute to the debate on the Budget delivered by the Treasurer, Alan Stockdale. It is good to be able to talk about what I believe is an honest Budget. For the past 10 years honourable members have not been able to do that. At long last Victoria has an honest government, unlike the poorly managed administration of the past 10 years that was run by the Labor Party and some of its mates in the trade union movement.

Victorian business people now have the confidence to build up their businesses, make a profit, create employment and ensure that jobs will be an ongoing feature of the State. I hope that in the not too distant future Victoria will have the highest employment rate in Australia. Although in recent months unemployment figures increased slightly, last month they came down again.

One of the government’s economic targets is to provide Victorians with a choice about what sort of career they wish to follow. It wants to provide them with better opportunities of finding jobs. The government carefully considered the basis on which more jobs would be created and decided that the private sector is the way to go. The coalition will not employ more public servants like the previous Labor government did when it put an additional 40 000 people onto the public payroll. The government decided to reduce the number of people employed in the public sector and allow them to transfer to jobs that will be created in the private sector. In the government’s short period in office some 21 000 full-time permanent jobs have been created in the private sector.

Hon. B. W. Mier — And you have left thousands of former public servants starving!

Hon. K. M. Smith — Yes, a number of people have gone from the public sector; but the opposition should commend the government for that because Victoria is in a win-win situation. Those people have gone out with big redundancy packages.

Hon. D. A. Nardella — Who? The school cleaners!
Hon. K. M. SMITH — I am pleased that Mr Nardella is here so that I can observe his silly reactions to some of the things I say. What a shame he is now leaving the Chamber. Come back!

Hon. R. I. Knowles — Your argument has overwhelmed him!

Hon. K. M. SMITH — I cannot believe my luck. Now only Mr Mier is left on the opposition benches. If he goes I will not even call for a quorum. I will be happy to talk to my two coalition colleagues!

Over the past 13 months the government has had to take tough decisions. Although that was difficult for the government it was prepared to take them. Mr Mier will recall that in the recent State election campaign he and his colleagues were accused of being members of the guilty party — the people who got Victoria into so much strife. During the campaign the coalition distributed to the public its policy documents. Fortunately they are still available. I know that the Parliamentary Library has copies of them, as has my electorate office, and I am sure that you, Mr Deputy President, have copies that you can distribute to your constituents.

The coalition set out a strategy that it hoped to achieve in the future. The people of Victoria overwhelmingly endorsed the coalition policies. They were prepared to take on the fine coalition government, led by Jeff Kennett, and were willing to take the hard medicine that lay ahead.

On the anniversary of the government’s election to office a poll published in the Labor Star from Spencer Street revealed that the coalition had more primary votes at that stage than at the last election. If an election had been held on that day the coalition would have won its existing seats and a further six seats. That poll demonstrates the confidence by the people of Victoria in the government. The poll was conducted by independent people, not by friends of the coalition. The people of Victoria have had a gutful of the Labor Party. Although that may be an unparliamentary term, it is true.

The former Labor government made promises and then proceeded to break them. It left Victoria in an economic state that can only be described as a catastrophe.

The government has taken a number of important decisions. It has attempted to reduce the costs of workers compensation. WorkCover was introduced to replace the Labor Party’s WorkCare scheme. The government has reduced WorkCover premiums to the business community and has encouraged business to put on more people. The financial restraints imposed on businesses by the former WorkCare scheme was costing Victorians private sector jobs. Business people could not afford the financial burden created by the Labor government, which had allowed unfunded liabilities amounting to $4 billion to escalate out of control.

In 1985 when the former Labor government had control of both Houses it introduced the WorkCare scheme. Members of the coalition told the government that the scheme would be a failure, would cost Victorians jobs and would place them further into debt. Unfortunately, the predictions were true. Honourable members have only to refer to the debates recorded in Hansard at that time to ascertain that what the coalition said was correct.

The government decided not only to reduce the number of claims that were being made because too many people had their snouts in the WorkCare trough but also to look after workers better. Under WorkCover injured workers will receive higher payments and get better treatment than they did under WorkCare.

The WorkCover scheme has reduced the costs of business. If employees are fair dinkum about injuries at work, they will recognise that they will be looked after better by the coalition government than they were under WorkCare. But if an employee wants to be a bludger on the system and is prepared to rip money out of the system he or she will not get the same cover provided by the Labor government, which only encouraged that type of behaviour. The rorting of the system never occurred under the former Liberal government. However, as soon as the Labor Party took office the system was rorted by people who should not have been covered by the system. Genuinely injured workers will now be looked after much better than they were under WorkCare.

The government has also reduced the number of regulations that affect businesses. No opposition members have ever run a business. They have not invested 1 cent of their own money. They have never employed anyone. Not one opposition member has done anything to create a job in Victoria. Almost without exception they have come from the trade union movement, led by John “Tyrannosaurus” Halfpenny from Jurassic Park in Lygon Street. He has been a burden on the back of Victorians and...
Victorian businesses for far too long. "Tyrannosaurus" Halfpenny has now met his match. He has come up against people who have courage and who do not rely on having union funding given to them to undertake election campaigns. John Halfpenny has had it too good for too long but he has now met a brick wall.

The DEPUTY PRESIDENT (Hon. D. M. Evans) — Order! I ask the honourable member to return to the Budget.

Hon. K. M. SMITH — I am, Mr Deputy President. I have talked about reforms, regulations, WorkCover —

Hon. Louise Asher — Land tax is in the Budget!

Hon. K. M. SMITH — I am glad Ms Asher mentioned land tax because I have a few pages of notes to remind me of what will happen to the trade union movement.

The trade union movement will be dragged into the 21st century; suddenly it will be forced to pay land tax. John Halfpenny said, "Jobs in the union area will be lost". I say, "Terrific. They have had it too good for too long!"

The Master Builders Association of Victoria, the Plumbers and Builders Merchants Association, the Housing Industry Association and many other organisations have been paying land tax on their offices. Who did the Labor government protect for so long? None other than the Jurassic Park in Lygon Street!

In the past it did not have to pay the costs that normal business organisations paid. The organisations to which I belong and in which I believe have always been registered under the industrial relations laws. There is no reason why unions should not pay the rates other organisations have paid for years.

We should also examine Victoria's economic growth and confidence levels. When one walks down the streets of Melbourne one feels the confidence in the air. Victoria has a future — things are happening. Ms Kokocinski mentioned kindergartens and schools — I am glad I was not here for her entire mud-slinging speech!

Hon. Louise Asher — Did she mention her preselection?

Hon. K. M. SMITH — No. There is nothing for Ms Kokocinski to talk about; she has been rubbed out. She was told, "You'll be playing in the seconds". It will be back to the trade union movement for her.

Hon. B. W. Mier — No, she hasn't.

Hon. K. M. SMITH — She has missed out there, too? She has been completely dropped!

Hon. Bill Forwood (to Hon. B. W. Mier) — You are on the list, too.

Hon. B. W. Mier — No, I'm not. I turn 60 on 21 February 1995 — and that will do me!

Hon. K. M. SMITH — I hope Hansard records Mr Mier's announcement on his imminent retirement from Parliament. I congratulate him on what could be classified as a momentous eight years.

Hon. B. W. Mier — Thank you. It was almost 11 years.

Hon. K. M. SMITH — That's wonderful!

The DEPUTY PRESIDENT — Order! I ask Mr Smith to return to the Budget.

Hon. K. M. SMITH — I am on the Budget, Mr Deputy President. Perhaps we should examine Parliamentary pensions and superannuation!

Hon. B. W. Mier — I'm pleased about that.

Hon. K. M. SMITH — Are you feeling any stress at the moment, Mr Mier?

Hon. B. W. Mier — Certainly not.

Hon. K. M. SMITH — Did you know a former member of the other place, Jim Kennan, is in for an extra $400 000 because of the stress he suffered? I think he will suffer more stress, because I'm not so sure he will get the money. I am not sure we believe him.

Hon. D. A. Nardella — Are you pre-empting the committee?

Hon. K. M. SMITH — No, I am not even a member of it. I have not been involved in discussions.

The government told kindergartens they must come into line with the rest of the education system. The government wants to classify them as part of the system. Teachers have had it rather good for a long
time because of the Labor government. When one considers the working hours, student contact hours, time off, holidays and cumulative sick leave, one realises teachers have built up a big score. They must be on top of the lurks and perks ladder!

Many kindergarten teachers should never have been in the system in the first place. Kindergarten teachers and some of their left-wing committee members have campaigned on emotion. That is disgusting and disgraceful. But that is what I would expect from the Victorian Trades Hall Council.

Some kindergarten committees have published misleading statements to parents saying their children will be deprived of educational opportunities. That is not true. It is a downright lie and should never have been said. They said, "Teaching hours will be cut and class numbers could increase to 26 or 27". Although that may not appear to be a significant difference, teachers have been saying it will have a dramatic effect on the children's futures. Another lie!

The left-wing lobby has been saying that it will cost another $100 for each term of kindergarten education. Another lie! The truth is that local committees will decide on those matters. They can decide whether to cut back on hours or increase class sizes. Will they be fair dinkum when dealing with children's first year of education? The government said, "Yes, you must be". Will it cost more money? That depends on how the committees are prepared to deal with the situation.

Recently I attended a meeting at the Pearcedale kindergarten. A large number of teachers and parents gathered to discuss the future. When they were told the truth about the government's intentions, they were most appreciative that their children would not be dramatically affected. They decided they could live with that.

The kindergarten committee said, "We will not establish more contact hours or cut back on sick pay; the parents will have to pay an extra $100 per term". Some parents agreed with that. Next year another committee will be elected. It might make a different decision. As the government said from the outset, the kindergarten committees can make those decisions for themselves.

Everyone has heard about 157 schools being closed. For some time the government has said, "We need to consult with the schools so that they deliver quality education using the appropriate school facilities."

The government established nearly 280 clusters or schools groups, which had to prove to the task forces that they could deliver quality education according to their facilities and that they could work with present and future teachers.

A number of the task forces said, "We believe such-and-such a school will have to close". In my electorate, three schools were likely to close. One school will be closed but the other two were able to prove to the Minister that they can deliver quality education. Representatives of the San Remo and Newhaven schools, which were candidates for a merger, should be congratulated. They told the truth in their dealings with the Minister. I also congratulate the Minister on listening to them.

I should also congratulate Somers Primary School, which may have been merged with another school except that it prepared one of the best documents I have ever seen saying that it offered quality education and should remain open. People in the school community were ecstatic when they heard that it would remain open. However, schools will have to prove themselves: they cannot stop just because they have produced one document. School communities are already asking me, "How can we become a School of the Future? We want more say over our destiny, in the selection of our teachers and in the curriculum. We want to run our schools on the best possible lines". They want to run their schools similarly to private schools. That is great. That is exactly what the government wants: for schools to be run for the education of children and not for teachers or unions and the perks and lurks that they get.

A large number of teachers are dedicated to giving our children quality education, and that is terrific. However, there is a loudmouthed, selfish minority who want to wreck the system and march through the streets after they have been on two weeks holiday! They would not go on strike during their holidays because that would inconvenience them. They strike in the last term of the school year when most of the senior students are preparing for important exams.

They had the cheek to protest in front of Parliament House, but the crowd was even smaller than that attending a Brisbane Bears Australian Football League match. They waved banners showing the schools where these ratbags come from. I was appalled at that. The teachers should have been in the classroom helping the children to sit for the Victorian certificate of education or other exams that
are coming up. They are the selfish, radical, ratbag teachers that I wish would apply for redundancy packages because we do not need those people in the system. Surely even the members opposite would agree with me on that. Mr Nardella is shaking his head. I do not know if he agrees with me or not. Are you happy to have the ratbags in the education system?

Hon. D. A. Nardella — I wouldn’t call them ratbags like you.

Hon. K. M. SMITH — What would you call them?

Hon. D. A. Nardella — I would call them committed professionals.

Hon. K. M. SMITH — Those teachers are not fair dinkum. They should not be teachers because they do not have the dedication. They want to be in front of the class for only the shortest possible time and get as many roots out of the system as they can. The good teachers are fantastic, but the teachers I have just described should not be in the education system.

Victoria’s credit rating has dropped from AAA to AA. Both Moody’s Investors Service Inc. and Standard and Poor’s have downgraded Australia’s credit rating. That is appalling. It is an indictment of the previous government. Although the coalition government is not to blame it has to pick up the pieces and the debt that has been created. The government is dedicated to the creation of jobs in the private sector, not the public sector, and over the next 5 to 10 years to getting Victoria back to a AAA rating. Victoria will once again be the great State it was before the Labor Party raped and pillaged it.

The government has taken the necessary action to get Victoria back on track with the recent Budget delivered by the Treasurer. As I said at the outset, this is the first honest Budget in 10 years. Members who are new to this place may not realise that when the Budget Papers were presented members could never compare figures with those of previous years because the government deliberately hid important issues from the then opposition and the public. The government was not honest. It did not deliver quality services and did not tell the truth. Victorians are now getting the truth.

The government has circulated a document to all Victorians just 11 months after it came to office telling them the truth of Victoria’s financial position and where it will be in two or three years time. The document was honest because the government appointed independent auditors to assess the real position and offered them every assistance. In a few years time people will say, “Where are we now?” People will know exactly where Victoria is because the government will tell them and the opposition exactly where they stand. The government will say how much it has saved on WorkCover; that it does not have unfunded liabilities; and that it has assisted business. It will give the people of Victoria honest answers — something that has been missing for a long time.

The dinosaurs of the Labor Party and the trade union movement say that the Budget Papers are bad news. How can they be bad news when people have been given a future, some hope and some honesty? The dinosaurs organised approximately 100 000 people to march through the city after the coalition government was elected. Some weeks ago the same dinosaurs were able to muster no more than 7000 or 8000 people. Most of them were public servants who are being paid by the people of Victoria. I hope their absence was noted at the workplace because I know they would not have the courage to say they were on strike. I hope their pay was docked for the time they were away from their work. My money should not be paying for those people to stand in front of Parliament. If they want to do that they should come into the city on a Saturday, a Sunday or a public holiday.

The government has taken hard decisions and will continue to take the hard decisions in the years to come. It has the backing of the business community and the people of Victoria. The only people who do not back the government are the dinosaurs of the Labor Party and the trade union movement. The Victorian Trades Hall Council is undergoing a revolution. Some of the right-wingers are admitting that they may have been wrong in the past and are acknowledging that they should not work with the coalition government. I applaud them for that, because they are taking a tough stand.

The government said it would make hard decisions and reduce the numbers in the public sector, and it has done that. It also promised prior to the election that it would increase the number of police.

The government gave an undertaking that it will increase the Police Force by 600 in the next two years. We are living up to our promises. The force has suffered no cutbacks because we said we would not cut back in that area.
The government said it would put more into education, and it has. Four of the five new primary schools that were promised will be located in South Eastern Province, which I represent. We are putting the schools where the children are, and we are taking schools away from areas where they are not needed. We are using some of the savings from the cutbacks to build new schools.

We will put millions of dollars into upgrading the schools that remain. Why is it necessary for us to do that? It is necessary because the maintenance of schools was neglected by the previous government for 10 years. Contrary to what the previous government told Victorians about keeping school maintenance right up to date, upon coming to office this government discovered that promises to spend some $600 million to $700 million on school maintenance had not been kept. The maintenance work was not done. The money must have been spent somewhere else. That was what occurred under the previous Labor administration. The government has commenced some new projects in Victoria that have not cost the people of Victoria a brass razoo.

The Eastern Freeway extension will go ahead, and the South Eastern car park, the South Eastern Arterial, on which Mr. Mier and I must travel, will be modified. Mr. Mier must travel at midnight because he always gets here quickly, whereas I sometimes come in during peak hour when the traffic is banked up for kilometres. Mr. Mier says it starts to bank up where the cars cross over the bridge near the Sports and Entertainment Centre. It does not start there; the traffic starts to bank up at Dandenong. That is the situation on what is supposed to be a reasonably good freeway.

The blockages are caused by the arterial road, the construction of which was pushed through by the Honourable Jim Kennan when he was transport Minister to try to attract some additional votes at the State election, and he did, but people did not realise the problems that would be created. A crossover is being built at Warrigal Road that will speed traffic on to the next set of traffic lights put in by the previous Labor government. We will remove those traffic lights as well and construct another flyover or underpass, depending on what is best for motorists. Then they will be able to fly over that one, too, until they get to the next set of traffic lights put in by the Labor Party at Burke Road, Tooronga Road or even Toorak Road. The government will remove the traffic lights at Toorak Road as well, so people from the south-eastern growth area will be able to travel into Melbourne without having to face even one set of traffic lights.

When the Domain tunnel is completed — which the government will do, as it promised, as it will deliver on everything else it has promised — people will be able to drive from Portsea to Geelong without having to face even one set of traffic lights. That is something the previous Labor government was unable to do. It spent a fortune on the arterial road, and then it was necessary to build walls along it to keep the noise level down. Then it had to spend another fortune to make the walls thicker and higher because it was not planned properly in the first place. Again, that is because the then transport Minister, Jim Kennan, was trying to get votes at the State election and did not consider the long-term effects. The road also had to be widened.

The people who want to operate the casino in Victoria have been prepared to pay money up-front. As a result we will have the best casino with the largest floor space in Australia and possibly the world. That will attract people to Australia and to Victoria. It will not necessarily attract only Victorians and convince them to change their habits from betting on horseracing to betting on blackjack. Some people may do so, but we want to attract the people with all the money — there certainly wasn’t much money left in Victoria after the Labor Party left office.

Hon. D. A. Nardella interjected.

Hon. K. M. SMITH — There is more money in Victoria now than there was during the 10 years of Labor government.

Hon. D. A. Nardella — They are all going up to Queensland, so it is flowing in and straight out again through a bucket full of holes.

Hon. K. M. SMITH — Under the Labor administration the only people actually making money in Victoria were those making the wheelbarrows used by people getting money from the Victorian Economic Development Corporation because there was no accountability on the loans it gave. They were the first lot of people to make money. The second lot were those winding up businesses that went bankrupt. Under the Labor administration Victoria had the highest rate of bankruptcies in Australia’s history. The Labor Party created new records all right — record bankruptcies! Other people were leaving Victoria because they
could not wait to get away from the previous government.

People are now starting to talk about coming back to Victoria because there is hope for the future. Some of the money obtained from the casino will be used to build an exhibition centre at Southbank. The previous Labor government started to create something at Southbank. I do not mind giving credit where it is due: it is a marvellous area and a fantastic spot to visit. The previous government ruined the city of Melbourne, but at least Southbank is starting to attract a few people back to Melbourne.

We will build an exhibition centre that will be the biggest in Australia. Mr Nardella may laugh and shake his head, but he does not realise that the exhibition business draws huge numbers of people to a country. That is because they want to see what is new and to be able to exhibit their goods.

The Docklands area was a wasteland under the previous Labor government, which did not know what to do with it. It developed one side of the river but was going to leave factories, lumber sheds and docks on the other side. That would have been a blight on the north side of the Yarra River.

In the short time this government has been in office it has redefined the boundaries of the City of Melbourne to include some of Southbank, which creates a complete area extending from Swanston Street to South Melbourne. We will be able to build a large number of quality houses in that area that will attract Victorians back to Melbourne. That has to be a good thing.

We have put back into Melbourne the heart the Labor government took out of it. It built numerous office blocks in Melbourne but it drove out the people. Former Premier John Cain’s vision of cranes on the skyline was realised — there were numerous cranes on the skyline, which was terrific, but honourable members should see how many office blocks are empty.

Hon. D. A. Nardella — Because of market forces.

Hon. K. M. SMITH — That is not correct.

Hon. D. A. Nardella — Where was the intervention?

Hon. K. M. SMITH — The money that Labor gave away through the Victorian Economic Development Corporation. The money for empty office blocks came out of the pockets of Victorians. Basic economics and stupidity on the part of the Labor government caused Victoria’s problems. The coalition is looking for a future. Although I do not want to talk about the dark old days of 10 years of Labor government, I will keep reminding the opposition of them.

I want to talk about the bright future. The government is doing something about Docklands. It will do something about the Western bypass, it will do something about the Domain tunnel and it will fix up the South Eastern Arterial. The coalition government will fix those things and will create jobs in the private sector, which is important for Victoria. The government will do that because it has proven that it can keep its promises, something the Labor Party was never able to do when it was in government.

Hon. D. A. Nardella — What has happened to JobBank? Do you remember that promise you made before the election? You have forgotten it.

Hon. K. M. SMITH — I said earlier that the coalition has already created 21 000 permanent full-time jobs in the private sector.

Hon. D. A. Nardella — Is that why we have 12.6 per cent unemployment, because you have created all those jobs?

Hon. K. M. SMITH — I am pleased that Mr Nardella and Mr Henshaw are sitting there. Barney Rubble and his mate have raised the issue of unemployment. Yes, I did say it had gone up, and if they had been here they would have heard me admit that. However, they forget that when the Labor Party came into government, the unemployment rate in Victoria was 5.8 per cent. It is now 12.6 per cent. In the first 12 months of the Labor government’s term unemployment increased to 9.8 per cent, an increase of around 50 per cent. The increase in Victoria’s unemployment rate set record after record. Not only were there bankruptcies but there was record unemployment as well.

Hon. T. C. Theophanous — That is absolute rubbish. Even the Minister is embarrassed by you.

Hon. K. M. SMITH — The Minister for Regional Development believes every word I say! If you, Mr Theophanous, were to go to the Parliamentary Library and look in the Australian Bureau of Statistics file on unemployment — I have quoted the figures to the House once before — you will see that
the Labor government created more unemployment than the coalition could ever possibly manage. The coalition will get unemployment to a level where it will hardly be known and where the kids of Victoria will have a choice of jobs. That is something the Labor government could never deliver.

Hon. T. C. Theophanous — That is not what Stockdale says.

Hon. K. M. SMITH — It is what he says.

Hon. T. C. Theophanous — No, it is not. He says it will be 10 per cent in four years.

Hon. K. M. SMITH — Yes, and what about in 8 years and what about in 12 years? The Labor Party caused so much damage to Victoria that it will take that time to recover, and I do not mind admitting that. The coalition never claimed before the election that a recovery would happen in 5 minutes. The previous government caused too much damage.

This government has a $70 billion millstone around its neck that the previous government put there. The coalition must do something about the debt the former government created. It is getting the debt under control, and the opposition knows it. Members of the opposition will not stand up in this Chamber and congratulate the government, but if they had any courage and brains they would get on the bandwagon now and congratulate the government for the good work it has done.

Hon. T. C. Theophanous — You are just upset that you did not get any of the advertising from KNF Advertising.

Hon. K. M. SMITH — There was a great debate on that yesterday, and what the opposition was really doing was picking on Jeff Kennett's wife. It was pointing the bone at women having to work and wanting to work and delivering a good service.

Hon. T. C. Theophanous — Pointing the bone — having a shot at Aborigines now, too, are you?

Hon. K. M. SMITH — I would like it noted that Mr Theophanous could say something like that.

Hon. T. C. Theophanous — You are hopeless, Smithy. Just sit down.

Hon. K. M. SMITH — That is worth answering. I have said nearly all I want to say on the Budget.

Hon. Louise Asher — No, we want more.

Hon. K. M. SMITH — I think I have said more than enough because I have put things bluntly and factually. I will finish by saying that Mr Theophanous has come into this Chamber as the economic guru from La Trobe University. He was going to turn the world of economics on its head. However, with time Mr Theophanous has been proven to be an economic pygmy. The Labor Party did not have a clue about the economy of Victoria, and that was also the case with Tony Sheehan, the former Treasurer — —

Hon. Louise Asher — Is he a guru or a pygmy?

Hon. K. M. SMITH — He is a dill, because he tried to hide $1 billion in borrowings. He did not want to talk about it. I hope Mr White gets dragged up to Canberra to appear before the Senate Select Committee because of his involvement in borrowing that $1 billion and hiding it. I hope what the Labor Party did becomes publicly known.

Mr White is one of the people who remains in this Parliament who led the Labor Party to victory in 1982. Because of the things he has done in this Chamber and as a Cabinet Minister, he is also one of the people who put Victoria in the disastrous financial state in which the current government found it. He deserves all he gets from the Senate.

The former Premier, Joan Kirner, also deserves all she will get from the Senate hearing. I wonder whether they will have the courage to appear before the committee. I do not believe they will. This House has given Mr White permission to go if he wants to, but he will not have the courage. He comes into the cowards' castle and tries to denigrate people such as the Premier who has worked hard for this State and who has achieved more in 13 months than the previous government did in 10 years. I am sure that when Mr White, Mrs Kirner and Mr Sheehan get there — it would be nice if Mr Kennan went because he was part of it as well — —

The DEPUTY PRESIDENT — Order! Mr Smith will return to the Bill.

Hon. K. M. SMITH — The reason I raise those issues is because the Bill has been classified by the honourable member for Sunshine and Mr Halfpenny as being too tough. The bad-news Budget, as they describe it, is a result of the actions of the people I mentioned. The coalition has had to be tough, and
for the first time in 10 years Victoria has an honest Budget that will create jobs for Victorians.

The Budget provides for the projects Victoria needs. It gives the people of Victoria a future, something the former Labor government did not do. The Kennett coalition government will lead the State to victory and glory. It will lead the rest of the country towards economic viability, and the journey has already begun.

Hon. D. R. WHITE (Doutta Galla) — I shall talk about the economic assumptions for Victoria made in Budget Paper No. 2. At page 2-12 table 2.3 contains the basis upon which the Victorian government is governing the State. It is clear that not only is there an inherent contradiction in the table but also that the evidence in the table on the economic performance of this State shows that the Victorian economy is being mismanaged.

The Treasurer and the government are preoccupied with the agenda of the Institute of Public Affairs, and their preoccupation with the current account is to the detriment of the Budget strategy and its impact on the Victorian economy. Table 2.3 shows that the year-on-year unemployment rate will be 11.7 per cent for 1993-94, in 1994-95 it will be 11 per cent, in 1995-96 it will be 10.5 per cent and in 1996-97 it will be 10 per cent. Those figures forecast a reduction in the unemployment rate.

The first point I make is that the unemployment rate year on year for 1993-94 will not be 11.7. It was 13 per cent in July and it was between 12.4 per cent and 12.6 per cent in August. Unless there is a substantial improvement in unemployment performance for the rest of the year, 11.7 per cent will not be achieved. The government will not achieve a rate of 11.7 per cent because of what is occurring in both the public and the private sectors.

Public sector jobs have been reduced by 15 000 — that is in addition to the 15 000 people who were moved out last year. In the private sector, the Master Builder’s Association of Victoria has forecast that there will be a further reduction of 20 000 jobs in the building and construction industry because the rate of new household formations cannot be sustained. New household formation used to create a need for around 23 000 new homes a year, but population growth is now only 12 000 a year. It is not possible to have 23 000 new household formations a year when population growth is only 12 000 a year.

Of course, the population growth is as low as 12 000 because 100 Victorians a week are leaving the State. Based on those figures the MBAV says there will be a significant downturn in new household formation that will not be compensated for by investment activity in the commercial and industrial areas, particularly in the central business district.

We are suffering a reduction not only in the public sector work force but also in the building sector work force. Telecom Australia is reducing its staff not by 7000 as it announced, but by 20 000 — it could be as high as 30 000 — and there will be a flow-on effect on companies that have their headquarters in Victoria because of Telecom’s presence, such as Fujitsu and Ericsson Business Communications. A reduction in Telecom’s work force will compound the unemployment problem.

In addition, most of the improvement in the bottom line profitability of major corporations is a product of job shedding, which is still occurring and will continue during 1993-94. The prospect of the unemployment rate falling below 12 per cent is extremely remote unless there is a substantial drop in the participation rate, which is unlikely because of the economic necessity for people to get back into the work force.

The Budget job forecast for 1993-94 is totally incorrect. On 6 April the Treasurer said that the unemployment rate would be 11.2 per cent; he adjusted that to 11.7 per cent, but that is incorrect. The unemployment rate will remain above 12 per cent year on year in Victoria. Factors that will compound those circumstances are shown in the table.

The gross domestic product (GDP) forecast for 1993-94 is 3 per cent, for 1994-95 it is 2 per cent, then 2.5 per cent and 2.5 per cent. As the Treasurer acknowledges, the figure of 3 per cent GDP is artificially high, because it includes figures for those who took departure packages, which is why the forecast for 1994-95 decreases to 2 per cent and then rises to 2.5 per cent for 1995-96.

The inherent contradiction within the table is the fact that those GDP forecasts have taken into account the number of people coming into the job market but it is impossible using those GDP figures to achieve a reduction in the unemployment rate. The unemployment rate is expected to fall from 11.7 per cent to 11 per cent, but that will not occur with those economic growth rates. Moreover, it is impossible to convert those economic growth rates to a reduction...
in the unemployment rate. No economist could adequately explain away the inherent contradictions within the table. No economist would appear before the Public Accounts and Estimates Committee or in another public forum to say that the projected GDP forecasts would produce a reduction in the unemployment rate to 10 per cent by 1996-97.

GDP growth of more than 4 per cent would be required to get the unemployment rate the Treasurer referred to. If the GDP forecasts are correct, unemployment will not go below 10 per cent for the whole of this decade. That is what the National Institute of Economic and Industry Research has said and that is what major economic forecasters are saying about Victoria. While the rest of the country is moving into economic recovery, Victoria is the odd one out and it will remain so.

In October 1992 the total number of people employed in Victoria was 1.953 million and in September 1993 it is 1.948 million according to the Australian Bureau of Statistics, a reduction of about 5000. At the same time the number of people employed in the total Australian workforce has increased from 5 739 000 to 5 806 000, an increase of 66 700. The total number of employed in Victoria has reduced by 5000 while the total number of employed in Australia as a whole has increased by 66 000.

The new investments in the private sector foreshadowed during the past 12 months by the Minister for Industry and Employment and the Minister for Regional Development will not compensate for those trends.

The Treasurer made it clear that the table is incidental to his interests, that it was included in the Budget Papers not because it has any relevance to the estimates but because he felt he had a responsibility to include it. He has no philosophical or ideological belief that he has any responsibility for what is occurring in the rest of Victoria; his responsibility, as he defines it, is confined to the current account and to the Budget. He made it clear that he believes he has no responsibility for what is occurring in the rest of the economy.

The table makes it clear that not only will the unemployment estimate of 11.7 per cent year on year not be achieved, but also, because of the inherent contradiction, that the GDP forecast cannot produce the reduction in unemployment levels the Treasurer suggests — he says that a 2 per cent or 2.5 per cent increase in GDP will be sufficient to produce a reduction in the unemployment rate from 11.7 per cent ultimately to 10 per cent. No economist looking at that table would be prepared to argue the case that such a reduction in unemployment can be obtained based on the GDP forecasts; a rate of GDP in excess of 4 per cent would be needed to reduce unemployment to those levels. Unemployment will increase.

The opposition makes it clear that not only will we not achieve a rate of unemployment of 11.7 per cent year after year, as the government has been saying, we will also not achieve that rate during the lifetime of this Parliament. Unemployment in Victoria will exceed 14 per cent! When that happens — —

Hon. W. A. N. Hartigan — Is that as accurate as your other forecasts?

Hon. D. R. WHITE — I am putting it on the record; you can put your forecasts on the record. Unemployment in Western Australia will fall below 10 per cent. The unemployment level in Queensland, notwithstanding the number of Victorians entering the job market there, will fall significantly below that obtaining in Victoria. In New South Wales and South Australia, notwithstanding the changes occurring in the manufacturing sector, unemployment levels will be significantly lower than those in Victoria.

Only Tasmania, which inherited the economic philosophy of Dr Vertigan, will experience unemployment rates comparable with those in Victoria. Dr Vertigan is now the repository of wisdom in this State.

It is clear the Treasurer, because of where his interests lie, has taken his eye off the ball in respect of what is occurring in the Victorian economy at large. Is there any evidence in the Budget Papers of the Treasurer talking about what is happening in primary industry or what will occur by way of employment, job and export growth in the food sector? Is there any evidence in the Budget Papers or in the Budget speech of investment activity or of what forecasts the Treasurer makes in respect of investment activity in the primary sector, whether it be agriculture or mining? Is there any commitment from the Treasurer, given his ideological background, to support he is prepared to give by way of tax breaks, grants or financial assistance to the export food industry that is aimed at the Asian and Pacific basin region to ensure that we get investment in that industry?

Hon. Bill Forwood interjected.
Hon. D. R. WHITE — We know you were not here, Mr Forwood, but in 1981 we inherited a half-built smelter at Portland, a half-built electricity transmission line and a half-built power station in the Latrobe Valley.

Although Portland was not the ideal site — Western Port or Geelong were — the deal done in August 1984 was supported by both Houses of Parliament in respect of every aspect of the financial transactions and the pricing policy. The pricing policy was passed by the Legislative Council. The majority of members of this House who passed the legislation for the Portland smelter were from the Liberal Party and the National Party. Although the former government introduced the Bill it was agreed to by the people who were here from the Liberal and National parties.

The document issued by the Minister for Industry and Employment in another place in respect of industry policy is a statement of events, projects and transactions. Each of the transactions and projects the Minister has enunciated in his industry policy was either started or completed by the former government. There is not one new project!

The company that is looking closest at the arrangements in relation to its future business strategy and investment in Victoria and at what it will take into account in deciding whether to invest here — at what was done for Toyota Motor Corporation Australia Ltd, General Motors Holden’s Automotive Ltd and Nissan Australia — and whether to relocate some of its activities from Sydney to Campbellfield is Ford Motor Co. of Australia Ltd.

Hon. W. A. N. Hartigan interjected.

Hon. D. R. WHITE — You and I know that one of the issues — —

Hon. W. A. N. Hartigan — You and I know that Ford will not relocate anything from Sydney to Broadmeadows!

Hon. D. R. WHITE — You and I know that they have strategic decisions to make. They are considering the future of their investments — which could be of benefit to Victoria. They will take into account — —

Hon. W. A. N. Hartigan interjected.

Hon. D. R. WHITE — They will take into account the $4 million in training assistance given to Pacific Dunlop to establish an export tyre factory at Somerton. They will also take into account the $11 million assistance given to AMECON Ltd to establish its Williamstown operation, as well as the $6 million that was put on the table to enable Toyota to establish its Altona plant. In each case those investments would not have been secured for Victoria if the Labor government had not been prepared to attract them.

For example, Phillip Brass had an important decision to make. He could have decided to locate the tyre plant in Jakarta, Rio de Janiero — —

Hon. W. A. N. Hartigan interjected.

Hon. D. R. WHITE — Are you saying that Ford will not ask?

Hon. W. A. N. Hartigan interjected.

Hon. D. R. WHITE — I am making it clear that you were a public servant, a tariff officer who supported protectionist policies. You then went to the Ford Motor Co. of Australia Ltd as a supporter of tariffs.

Hon. W. A. N. Hartigan interjected.

Hon. D. R. WHITE — The reason Ford gave you a job was because those responsible believed you would be successful in lobbying the Federal government to maintain industry protection and tariff levels. But you come in here as a free-trader! That is how Mr Hartigan got his Ford job.

Hon. W. A. N. Hartigan interjected.

The ACTING PRESIDENT (Hon. P. R. Hall) — Order! This is not a debate between only two individuals. I ask both Mr White and Mr Hartigan to desist. Mr White should direct his remarks through the Chair, and Mr Hartigan should not engage in persistent interjections. Although interjections are acceptable on occasions, a constant barrage is disruptive.

Hon. D. R. WHITE — I am more than happy to do so, Mr Acting President. But I ask you to understand that I am talking about a honourable member who was a former tariff officer but who has now become a reconstructed free-trader. Mr Hartigan knows he was employed by Ford solely on the basis of his contacts in the Federal
bureaucracy and his support for the maintenance of tariffs. As a free-trader he cannot — —

Hon. W. A. N. HARTIGAN (Geelong) — On a point of order, Mr Acting President, although I do not mind the Leader of the Opposition putting his points, I was not a bureaucrat in the Public Service when I joined the Ford company. Mr White should get his facts straight — although he normally does not worry about that. I demand that any references he makes be accurate.

Hon. D. R. WHITE (Doutta Galla) — That is not a point of order, Mr Acting President. In debating the issue I am entitled to make the claim that Mr Hartigan went from the public sector to Ford. He may have had a couple of jobs in between, but what I am saying is entirely reasonable within the context of the debate. If Mr Hartigan wants to speak on the Budget and to make different points, that is his business.

Hon. W. A. N. HARTIGAN (Geelong) — On the point of order, Sir, Mr White is misrepresenting the situation. He knows he is not telling the truth.

The ACTING PRESIDENT — Order! As I understand the normal practices of the House, the matter raised by Mr Hartigan is not a point of order. But he is entitled to make a personal explanation at any time. I also remind Mr Hartigan that if he wishes to refute some of the points put by Mr White, he will have an opportunity of doing so during the Committee stage.

Hon. D. R. WHITE (Doutta Galla) — I look forward to Mr Hartigan making a personal explanation about his life as a tariff officer — and I look forward to hearing from a born-again free-trader.

It is essential that the government understand that the competition for foreign investment, whether new investment or investment to expand existing enterprises — in other words, investment that may otherwise go to South Africa, Vietnam, China or Eastern Europe — is extremely fierce. In the 1950s and 1960s governments of various political persuasions aggressively competed for foreign investment. The House must understand that Ford did not land in Melbourne accidentally, nor did General Motors Holden’s establish a plant in Australia simply by accident. The government will not attract foreign investment simply by sitting on its hands.

Although the Treasurer is pursuing a consistent philosophy, his industry policy consists only of his sitting on his hands. We all know that the Premier is a dealer and a trader. If someone around town wants to do a deal he does not go to see the Treasurer or the Minister for Industry and Employment, he goes to see the Premier. His only success to date is Sunset Boulevard; but as Mr Best would know, he has not been encouraged by his Cabinet colleagues to do deals with the private sector.

The former Labor government did not get the munitions factory or the AMECON investment by accident. Some people may argue that $3 million was too much to pay to ensure that the munitions factory was established at Benalla — a decision supported by Mr McNamara, the current Minister for Police and Emergency Services, and Mr Baxter, the current Minister for Roads and Ports — rather than at Wagga Wagga or Albury. But the Labor government did not sit on its hands; it went out and sought the establishment of the factory.

Again, some people may argue that by allocating $11 million in training assistance the Labor government paid too much to enable AMECON Ltd to set up operations in Williamstown. But we were facing stiff competition from Newcastle, and we knew that we would get nowhere if we sat on our hands, which is the Treasurer’s philosophy.

The Budget contains no industry grants and no tax breaks to attract major investment to Victoria. Notwithstanding what Mr Best has told the House on occasions, I argue that neither the Minister for Industry and Employment nor the Premier is carrying shopping bags of prospective new investments of any magnitude.

Recently the Minister for Regional Development announced the establishment of a $17 million project in Ballarat, which is welcome. But the achievement of the targets forecast by this government requires more significant levels of economic activity than are currently occurring. At least the Minister for Industry and Employment has started to wake up, because he decided to employ Mr George Brouwer as his permanent head. Mr Brouwer was with the Department of the Premier and Cabinet, and anyone who knows George professionally knows that he is not suited to an interventionist role. George is a quality control person, a good Cabinet secretary or a good head of a law department. But George is not the sort of person to send to visit businesses to either
attract new investment of to seek increases in existing investments.

**Hon. Bill Forwood** interjected.

**Hon. D. R. WHITE** — I will tell you. I know, and you can check. Not only did we send Mr Brouwer to Frankfurt, we did better than that. While George was in Frankfurt I sent Michael Roux to check up on how our people were performing in their overseas offices. I specifically sent him to Frankfurt, telling him that I wanted him to give me a report on George Brouwer.

When you are in the Frankfurt office, which also covers northern Italy, you can go only one of two ways. You can either go out and talk to the Metallgesellschaft or Thyssen companies about new investment; or you can go to Northern Italy and talk to important companies like Benetton about investment in Australia — or you can become a diplomat on the cocktail circuit.

I told Michael Roux that I wanted to know how George was going. I am sorry to report that George was on the cocktail circuit! Mr Forwood has access to Mr Roux; he is in the Department of the Treasury with Mr Stockdale. I suggest he check and tell me whether I have got it wrong.

**Hon. R. M. Hallam** — What a ridiculous explanation! You sent him there!

**Hon. D. R. WHITE** — George Brouwer went to Frankfurt. Suddenly the penny has dropped! Gude is saying around the town that he is not getting value for money from George Brouwer. The Cabinet is leaking. I will give government members another example and they can check that one, too. A person who sits at the Cabinet table is saying at social functions that all eyes are on the Minister for Health, Marie Tehan, and that as soon as the Premier drops his bundle or makes a mistake she will get the call.

**Hon. R. M. Hallam** — Did you send George to Frankfurt?

**Hon. D. R. WHITE** — The Minister for Regional Development has developed a habit of coming into the Chamber and criticising the quality of the speeches made by people like Mr Power. He did it during the debate on clause 2 of the Melbourne City Council Bill. He gives a little schoolboy tick to indicate how well members have performed. When he was in opposition not one of his speeches achieved significant coverage anywhere in the metropolitan press or on television. Yet he wants to make it clear — —

**Hon. R. M. Hallam** — Did you appoint George to Frankfurt?

**Hon. D. R. WHITE** — George was the permanent head of the Department of the Premier and Cabinet. After examining the Frankfurt office operations it was not unreasonable for the government of the day to consider appointing him to a position in that office. Because it is reasonable to expect the head of the Premier’s department to be capable of handling such a job, he was given the opportunity of serving in the Frankfurt office. Then we sent somebody to check on his progress.
The Minister for Industry and Employment, Mr Gude, can defend George Brouwer’s appointment and ability, but the government cannot say the opposition did not warn it of what was likely to happen in industry under Gude and Brouwer’s leadership, which is not in Victoria’s interests.

I am not saying Brouwer would not be suitable in an office or in the law department, but he is inappropriate for industry, and that will be demonstrated. What will happen? If the Minister wants to prosper and continue in the industry portfolio he will have to move Brouwer on. If he does not, his head will roll. Public servants are good at protecting their own positions. The Minister will be forced to move on because of the high level of unemployment, the lack of investment in Victoria and the lack of a policy framework that enables the Minister to provide the necessary financial support.

Mr Hartigan keeps saying Pacific Dunlop conned the Labor government into providing $4 million for training assistance. I make it clear to Mr Forwood that the Premier visited the Portland and District Hospital and Cobberas-Tingaringy National Park and the Deputy Premier visited the Benalla munitions site and that they have complemented me on my achievements. The government should make up its mind whether it was right to attempt to secure the deal at Benalla. I am arguing not about the necessity to do deals but about the necessity to intervene in order to secure investment.

Hon. Bill Forwood — You’re secure about your ability to work in the commercial sector, are you? That’s your problem!

Hon. D. R. WHITE — I am saying the government has a responsibility to secure investment for the public sector. Ford Australia did not arrive in Melbourne by accident.

General Motors Holden’s Automotive Ltd did not arrive in Australia or Victoria by accident. Those companies invested here in the 1940s and 1950s, but not by accident. Mr Forwood, having been a public servant in the Northern Territory, would know that if that government had sat on its hands the Yulara complex would not be there today. The opposition is happy to talk about the financial arrangements surrounding Yulara and other projects. The Northern Territory government had to intervene.

Hon. D. R. WHITE — Prior to the suspension of the sitting I was making the point that Mr Forwood was involved in the Yulara project. Clearly the Northern Territory government knew that in order for the project to succeed substantial government intervention was required. Mr Forwood was a senior officer at the time.

The PRESIDENT — Order! I wonder whether the Leader of the Opposition could relate his comments to the Budget Papers before the House.

Hon. D. R. WHITE — The point I am making is that for the economy to succeed it is important to recognise and understand that to get investment in this State interventionist policies are required. The analogy I am making with the Northern Territory is that as a senior public servant Mr Forwood knew and understood that it was necessary for the Northern Territory government to intervene for the Yulara project to get up, just as it was necessary for there to be intervention in the case of the munitions factory, AMECO Ltd, and in the 1940s and 1950s in Ford Australia and General Motors Holden’s.

In contrast, Treasurer Stockdale has a consistent but different point of view. He believes there is no place for that. The Institute of Public Affairs philosophy would not produce a Yulara project, as according to its philosophy that is not the responsibility of government. I am pointing out that within the ranks of the coalition there are different points of view, but the prevailing ethos in the intellectual arm of the government is the view expressed by the Treasurer. It is not necessarily the view of the Premier, but for the time being, although the Premier is the negotiator and dealer for major projects, he is essentially to some degree a captive of the view that such a project is not in the interests of the State. That view was not practised by Mr Forwood under Marshall Perron and other leaders in the Northern Territory in the past and it will not be in the future.

Major initiatives such as the Adelaide to Darwin railway line, which was integral to the economic growth of the Northern Territory, depend on substantial government intervention — not just in infrastructure but in major investment projects. Mr Forwood has been a party to that activity. It is part of the reason he was recruited here, although not all of it, because he came via the Liberal Party office.

On the other side of the Chamber we have Mr Hartigan portraying the view that he is an economic rationalist, a free-trader and a Thatcherite, whereas he spent most of his career as a tariff officer
with the Public Service, then with the Associated Chamber of Manufactures of Australia and later with the former Tariff Board, with the express purpose of keeping tariffs in business. As soon as tariffs were removed he arrived here. That is Mr Hartigan’s career — his eulogy.

Hon. R. M. Hallam interjected.

Hon. D. R. WHITE — We know the Minister for Regional Development fancies himself.

The PRESIDENT — Order! I believe the matters now being raised by Mr White have absolutely nothing to do with the Budget before the House. What Mr Hartigan’s or Mr Forwood’s careers were previously is irrelevant, and I ask Mr White to get on to the Budget Papers and the Budget.

Hon. D. R. WHITE — The Budget Paper I wish to pursue is Budget Strategy and Review 1993-94. I draw the attention of honourable members to table 2.3 on page 2-12. I ask the Minister for Regional Development, with his extensive economic training and knowledge, to put on record his commitment that unemployment in Victoria will not in 1993-94 exceed 11.7 per cent. I ask him, with that background, to make a commitment that unemployment will reach 10 per cent by 1996-97. With gross domestic product forecasts or economic growth rates set at 2 per cent, will we reach 10 per cent unemployment by 1995-96?

The Victorian branch of the Economic Society of Australia will meet at Melbourne University on 7 November to consider the Victorian economy and examine why it is out of step with every other State. It is because of the economic policies of the Premier and the Treasurer. The society will consider why Victoria has unemployment rates of 12.4 to 13 per cent when everywhere else in Australia there is job growth and unemployment is decreasing.

In Victoria 15 000 jobs are coming out of the public sector; 20 000 jobs are coming out of the building sector; 20 000 jobs are coming out of Telecom; and no new investment is occurring. The Western bypass and the Domain tunnel are not being constructed, and there are no new substantial private investment projects apart from Sunset Boulevard and one $17 million project in Ballarat. That is all there is.

What I was talking about in the Northern Territory was investment policy and the need for an industry policy. There is no industry policy from the Minister for Industry and Employment. There are no tax breaks for investors such as those enjoyed by Ford and General Motors Holden’s in the 1950s and 1960s and by AMECON, Toyota and Pacific Dunlop since then, and no new major financial assistance is being provided by the Minister.

Because of the economic policies of the government unemployment is escalating towards 14 per cent and Victoria is being put out of kilter with the rest of the country. Each day 100 people leave this State, and unless there is a major revision of both economic and industry policy Victoria will continue to go backwards.

Hon. ROSEMARY VARTY (Silvan) — It is clear that Mr White, who is just leaving the Chamber, does not have the strength of conviction to remain and hear the rest of the debate. His diatribe was similar to the one he tried to put across yesterday, which made an absolute travesty of this Parliament.

The Budget returns to Victoria a sense of achievement, growth, excellence in delivery of services to meet the needs of the community and accountability for taxpayer resources. It is the accountability element that makes the difference between the things the coalition is doing compared with what Labor tried to do for 10 years. The Treasurer said in his Budget speech:

After a decade where Labor’s debt brought Victoria to its knees, this Budget continues to restore Victoria’s financial strength.

That is the key element of the government providing the necessary services in all sectors of the community. During the late 1980s and early 1990s recurrent expenditure grew much faster than current income, and that resulted in a rapidly increasing operating deficit that had to be funded by borrowing. It is a physical impossibility to spend more than one gets without borrowing. We had to take strong and positive action to rectify that situation. Our Budget strategy was to return the Budget sector current account to surplus within our first term of office. That is a simple statement, but of course it is not simple to do because of the mess Labor left behind.

The solution to the problem is not simple. We must live within our means. We cannot continue to spend more on our current account than we earn or gather from either taxpayers, the Federal government or wherever. To rectify the situation will require not only a significant increase in revenue but also a significant reduction in departmental outlays. The
Budget measures that were implemented in the 1992-93 year and the ones we will implement in 1993-94 will reduce the projected current account deficit by around $2 billion by June 1995.

When the coalition came to office it had some clear objectives, and I remind honourable members opposite of them: to make government a contributor to growth and job creation rather than the dead weight it has been for too long; to provide sustainable quality services to the people of Victoria, especially those in need of compassionate care from the rest of the community; to restore integrity to State government finances; to end the problems forcing up State taxes and charges; and to restore our capacity to maintain the State’s assets and investment in new infrastructure.

Through revenue measures, expenditure restraint, reform of government business enterprises and planned work force reduction programs the total Budget deficit will fall sharply after 1993-94. Those measures will encourage more competitiveness in the private sector, and there are already a number of indicators of that occurring. There is growing respect internationally for our program to restore the State’s financial position, and that is clear by the number of inquiries we are now getting from overseas from businesses wishing to invest in this State. I am sure the Minister for Regional Development will confirm that.

Corporations appreciate that we offer a secure, long-term policy framework that attracts them to invest in Victoria. The trade prospects for Victorian manufacturers in processed foods and expertise have increased considerably, especially as we are now seeing the middle-classing of countries in the Asia-Pacific Basin. Recently I attended an educational conference in Alice Springs at which people from the Philippines, Malaysia, Japan, Taiwan and the People’s Republic of China, said they are looking to Australia not only for the development of infrastructure but also for the supply of services. They want to buy food, education services and a whole range of other products and services. We have a magnificent opportunity. Some of the measures we have undertaken show how serious we are about getting this State’s finances right.

I compliment my colleague the Minister for Education in the Lower House for the magnificent way he has handled the most recent announcements about school closures and mergers and the work that has had to go into ensuring that from the beginning of next year the transition will be as easy as possible not only for the schools that are merging but for all the children who are moving to new schools.

I often respond to the large number of letters from schoolchildren by talking to them over the telephone. I like to remind them that as their schools are not closing they should help those children who must come from neighbouring schools and share the wonderful things they have at their school. It is great how the school communities are establishing programs to receive new students. Many schools are running orientation programs for parents and children, which help not only those new children coming to the schools but also the ones who are already there.

The quality provision task forces, which worked so assiduously at the local government level to ascertain what local communities wanted for their schools, was a far better way of achieving outcomes than the action the government took at the end of last year when schools were closed arbitrarily and without consultation with school communities. In some areas, and for reasons best known to those activists who attempted to stir up trouble, the task forces ran into some difficulties. Nevertheless, 85 per cent of the recommendations of those task forces were accepted by the Minister — that is 85 per cent of the recommendations of 249 task forces. The number of secondary colleges in those task forces was 123, or 37 per cent, and the number of primary schools was 722, or 44 per cent. They are not insignificant numbers.

I was particularly pleased with the way the task forces in my province approached their job, although there was some interference by some people who acted in their own personal vested interests and tried to upset the process.

Hon. D. A. Nardella — They were directed by the department.

Hon. ROSEMARY VARTY — They were not directed by the department at all. I was talking about people from outside who were acting in their own vested interests. Mr Nardella was not listening.

Hon. D. A. Nardella — I was listening.

Hon. ROSEMARY VARTY — You were not.

Hon. Louise Asher — He just did not understand.
Hon. ROSEMARY VARTY — That is right; the opposition does not understand at all.

The closure of a number of schools will enable the money from the sale of those sites to be put back into education to fund not only the establishment of new schools in outlying areas — whether it is in the south east of the metropolitan area or the Werribee corridor — but also help maintain existing schools. The construction of new schools in Cranbourne North, Pakenham East, Craigieburn, Mornington Peninsula, Werribee, Berwick and Echuca and new secondary campuses at Mill Park and Taylors Lake secondary colleges will be completed by the beginning of the 1995 school year. Those schools are needed, particularly in the south-eastern area of the metropolitan region because an additional 500 households are emerging in those areas every year. It is essential that the government provide quality schools in those growing areas, and the sale of surplus sites will free up resources so that new schools can be established.

Mr Ives, who is not here today, represents Eumemmerring province, which borders Silvan province. He had the temerity to suggest to some schools in that area, which were not even in task forces, that they would close. There was never any suggestion that they would close, yet he had the temerity to upset those school communities by suggesting that they would be closed. It is an absolute travesty for a member of Parliament to have the audacity to unsettle school communities in that way, especially when it was never suggested that those schools would close. Mr Ives suggested in a local newspaper that the Yellingbo Primary School would close. He should apologise to that school community for showing such little understanding about a local community.

If he wants to work at the bottom end of his province that is fine, but if he wants to come up to my end of the province, he should get his facts right!

Even Mr Sandon, the shadow Minister for Education in the other House, said on Channel 10, when asked about the way the government was closing schools:

I think we were too consultative so if I was Minister for Education I would have maintained our consultative process but would have given them set deadlines and time lines in which to meet them.

The reporter then said:

just like the State government, if necessary, he would force mergers too, but only on educational grounds.

That is exactly what the government is doing; the changes have been made on educational grounds, and the shadow Minister agrees with the government.

Another initiative of the government is the 3-cent fuel levy, known as the Better Roads levy. That will have particular impact in my area because it will fund the extension of the Eastern Freeway and the widening of the freeway between Bulleen and Doncaster roads. It will mean that the goods and services produced in the rapidly growing industrial and commercial areas of Bayswater will be transported interstate or to the rail heads or ports more easily.

I am pleased that the Better Roads fund will replace those funds cut by the Federal government, which were not improving roads in Victoria anyway. The State fuel levy will be a $41 million boost this financial year to Victoria's road structure and will have an impact on economic recovery.

The government has taken many initiatives to reduce State debt, something of which the Labor Party had no understanding. When the coalition came to office it was obvious that the former Labor government had no idea what to do with State debt. In a very short time the government has been able to reverse that.

Our State would have been non-existent: absolutely liquidated.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

DOCKLANDS HOUSING DEVELOPMENT

Hon. D. R. WHITE (Doutta Galla) — I ask the Minister for Major Projects whether he can give a progress report on the proposed housing development he is contemplating on the extended Docklands area on the south side of the Yarra; when it is proposed tenders might be let for housing development on that site; and when it is proposed the development might take place.

Hon. M. A. BIRRELL (Minister for Major Projects) — The last time I answered an almost identical question was on the adjournment debate — —
Hon. D. R. White — Public Accounts!

Hon. M. A. BIRRELL — No, that was the time before. I answered a similar question at the Public Accounts and Estimates Committee meeting and a subsequent question in more detail in the House during question time. I am pleased to be able to reiterate and add to — and, I hope, not contradict — my comments on those two occasions.

The government is concerned to ensure that the Docklands development should not be seen to occur on only one side of the Yarra, and as a result of that the government legislated last year — I think, without the support of the Australian Labor Party — on the Docklands boundaries.

Hon. D. R. White — We did not oppose it.

Hon. M. A. BIRRELL — Without the active support of the ALP. As I recall a slavish degree of support was not expressed by the opposition during the debate on the extended Docklands boundaries across the Yarra to the other side of the river.

The government is interested in housing opportunities on the south bank, as Mr White implied in his question, of the Yarra River. The principal issue with the Docklands site is to ensure that it is actually available. As I have said in the House on numerous occasions, the Docklands Authority is the most prominent landlord that actually has no land, and the Docklands board and the new Docklands chief executive are negotiating with the Port of Melbourne Authority to free land on the Docklands boundaries.

Hon. D. R. White — We did not oppose it.

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I am advised that in 1994 much of the land the government is seeking on the south bank of the Yarra within the new Docklands boundaries will be available from the Port of Melbourne Authority, possibly including the area around the floating dry dock, although there is a long-term lease next to that.

Consistent with the government gaining legal control, the government will then go to the marketplace next year either for expressions of interest or for actual sale, so that housing development can take place on the south bank site.

CAMPUS CONSERVATION CORPS

Hon. R. S. de FEGELY (Ballarat) — Will the Minister for Conservation and Environment advise the House of the steps taken by the government to establish a conservation corps of Victoria's university students?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I am pleased to advise the House that the State government has now put in place plans to create the Campus Conservation Corps — that is, an organised group of young university and TAFE students who, during their summer break, will be engaged in practical volunteer projects throughout Victoria's national parks. As I informed the House in August last year, it is a concept we have had in mind.

I am delighted to say it has now been launched and, with the assistance of the Australian Conservation Trust Foundation, the campus corps will be ready to take up a diverse range of activities. The delivery of the program will be coordinated by the Australian Conservation Trust Foundation in the 1993-94 summer university vacation. The Campus Conservation Corps will offer several hundred students the opportunity to spend up to two weeks working with a team of people and an experienced supervisor to make a practical difference to the quality of our national parks and public land.

There will be several dozen projects throughout the State such as creating walking tracks in the alpine national parks, monitoring wildlife in the Mallee, controlling noxious weeds in the coastal areas and maintaining and protecting fauna in the Otways. For a nominal charge of $40 a week university students will be able to volunteer for these projects.

Hon. Jean McLean — Mao did that in China during the Cultural Revolution!

Hon. M. A. BIRRELL — I shall take Mrs McLean's remarks as a form of praise. I take the opportunity also of wishing her well on her impending visit to Vietnam, and perhaps she will have fond memories of Chairman Mao when she is walking about in Vietnam! I shall return to the topic.

The idea is to ensure that young people during their summer vacations have the opportunity of working in our great national parks or on our coastline and to be part of the spirit that was created in the 1960s by the Youth Corps established by the government of the United States of America and subsequently carried forward by the highly successful Californian Conservation Corps, which involves many young people in park work.
The government is looking forward to the work of the Campus Conservation Corps work growing over the years, and everyone will regard it as desirable that young people are given the chance to do something for their environment, to protect it, and to provide better facilities and also to meet many people in that outdoors experience.

**EYE MEDICAL SERVICES IN SHEPPARTON DISTRICT**

**Hon. LICIA KOKOCINSKI** (Melbourne West) — What is the Minister for Aged Care doing to ensure that elderly people living in Shepparton and district areas do not have to travel to Melbourne for sight-saving eye surgery?

**Hon. R. I. KNOWLES** (Minister for Aged Care) — Ms Kokocinski's question is more properly directed to my colleague the Minister for Health, who is responsible for acute health services. The Minister for Health has been pursuing a policy which ensures that there is a significant increase in the number of people treated by our public hospitals. In fact, statistics released recently show that for the first time in many years there has been a significant reduction in the number of people waiting for surgery in our public hospitals.

It is important that people receive treatment when they require it. It is not always possible to provide that treatment in the locality where they live, but it is crucial that they have access to that treatment. The government is confident that the policies being pursued by the Minister for Health and her department are in fact ensuring that there is greater access to treatment than there has been in the past — certainly under the policies pursued by the Labor Party when in government.

**VOCATIONAL EDUCATION AND TRAINING**

**Hon. P. R. HALL** (Gippsland) — Will the Minister for Tertiary Education and Training inform the House of the benefits that will flow to Victorian school leavers and other students as a result of the approval of Victoria's vocational education and training plans for 1994?

**Hon. HADDON STOREY** (Minister for Tertiary Education and Training) — The House will recall that Mrs Hogg asked a question earlier this week and I was able to inform the House that the Ministerial Council and the Australian National Training Authority have approved Victoria's training plan for 1994, which will bring significant benefits to this State.

As a result, Victoria is set to gain additional Commonwealth TAFE growth funds of $16.4 million in 1994, which will result in an additional 10 000 TAFE college places.

That is a good result. Next year Commonwealth growth funds will allow for the creation of 40 000 additional places and Victoria will gain 25 per cent of them. My department advises that the amount of vocational training provided by TAFE colleges and registered private providers will increase by almost 18 per cent between 1992 — the base year for the Australian National Training Authority agreement — and 1994.

The increased training provision is a result not only of securing Commonwealth growth funds but also of increased efficiencies in service delivery by TAFE colleges, which will increase by nearly 7 per cent between 1992 and 1994 despite the efficiency savings that have been introduced.

As a result further substantial growth in the TAFE system will take place next year. That will benefit not only potential students but also Victorian industry.

**LOCAL GOVERNMENT RESTRUCTURE**

**Hon. PAT POWER** (Jika Jika) — I direct a question to the Minister for Local Government. The *Oakleigh-Springvale Times* of 6 October 1993 reports a call by the honourable member for Oakleigh in another place for alterations to the Oakleigh municipal boundaries to create a larger municipality. Is the honourable member for Oakleigh foreshadowing coalition policy on further local government restructure? Will the Minister advise which adjacent municipalities will not be altered by the creation of a larger Oakleigh municipality?

**Hon. R. M. HALLAM** (Minister for Local Government) — I am at a disadvantage because I am not familiar with the quotation to which Mr Power refers.

**Hon. B. E. Davidson** — Denise McGill.

**Hon. R. M. HALLAM** — The subject of municipal boundaries and the establishment of the Local Government Board has been well canvassed in Oakleigh, Springvale and in municipalities across...
the State. Enormous interest has been generated in the government’s policy of ensuring that local government is as efficient and effective as possible.

Municipal boundaries are determined by the Local Government Board. The government does not have a preferred position about any individual municipality — and that includes Oakleigh and Springvale. I suggest Mr Power await the appropriate process. If a review is referred to the board, the same process will apply that applied in Ballarat and Bendigo. And I suspect it will apply with other references.

MUSEUM OF MODERN ART AT HEIDE

Hon. BILL FORWOOD (Templestowe) — I direct a question to the Minister for Roads and Ports. Members would be aware of the increasing reputation of the Museum of Modern Art at Heide. Recently the gallery held a significant exhibition of the works of Lloyd Rees and Brett Whitely called “The Road to Berry”. Unfortunately the gallery is not easily accessible, especially by people travelling along the Eastern Freeway. Tourists wishing to visit the gallery have difficulty finding it. Will the Minister advise what can be done to assist visitors?

Hon. W. R. BAXTER (Minister for Roads and Ports) — Mr Forwood has an ongoing interest in the Heide Park and Art Gallery. That State-owned institution is gaining in reputation. However, for the uninitiated it is somewhat difficult to find, particularly if one is travelling along the Eastern Freeway. Together with the Attorney-General and others, Mr Forwood made representations concerning the placement of relevant signs on the Eastern Freeway.

It is well known that longstanding resistance has been experienced about the placement of directional signs to businesses on freeways, particularly on urban freeways. The matter has been considered and I am pleased to advise that VIC ROADS has agreed, at my suggestion, that a sign be placed on the approach to the Bulleen exit to direct to visitors from Melbourne suburbs and farther afield the road they should take. Although that will help the gallery, I invite it to be more explicit about its location in its publicity material. That is a good result and Mr Forwood should be pleased about his representations.

PORT PHILLIP BAY

Hon. B. E. DAVIDSON (Chelsea) — I direct a question to the Minister for Roads and Ports. All Melburnians regard Port Phillip Bay and its surrounding beaches as a unique and wonderful Victorian asset that should at all times be nurtured and preserved. The government’s Budget reduced the port management program from $2.13 million in 1992-93 to $0.15 million in 1993-94. Will the Minister explain in precise terms to the House and the people of Melbourne how and when the government intends to continue this program, given that there is now insufficient funding?

Hon. W. R. BAXTER (Minister for Roads and Ports) — The government is well aware of the importance of Port Phillip Bay to the city of Melbourne and the State. The upkeep of the coastal environs and beaches is important. Over recent years the Port of Melbourne Authority was given responsibility for undertaking some of the works that are currently the subject of review. Discussions between my department and the Department of Conservation and Natural Resources have taken place about which is the most important managing authority for those works. Works that are currently under way will be completed.

CARAVAN PARK REGULATIONS

Hon. S. de C. WILDING (Chelsea) — Will the Minister for Local Government explain what is happening with the establishment of regulations on standards for caravan parks?

Hon. R. M. HALLAM (Minister for Local Government) — I advise the House that regulations on standards for caravan parks were approved by the Governor in Council on 21 September and will come into effect from 1 November this year. The regulations introduce a simplified and low-cost system for the establishment and administration of standards in caravan parks. Estimated savings of $140 000 a year will be made by that important industry.

The establishment of the regulations comes after extensive public consultation. The primary focus will be on the basic standards of health and safety while retaining the flexibility to allow for traditional low-cost holidays. At the request of several of the organisations directly involved, my office has prepared an explanatory manual on the regulations, which I hope to launch in the near future. The manual is designed to provide a simple and
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comprehensive reference to the regulations. It is designed to assist the industry understand the new standards.

It will be distributed to all the caravan parks across the State. I offer my personal thanks to the caravan parks committee and to the many other people who were involved in the formulation of the regulations. There is a long and colourful history to the establishment of the regulations and I believe this is a practical outcome to a difficult and vexed issue. I look forward to the production and launching of the manual and in particular to handing a copy to Mrs Hogg, who was involved in the early stages of the review.

WORKCOVER

Hon. T. C. THEOPHANOUS (Jika Jika) — I refer the Minister for Local Government, who is responsible for WorkCover, to two recent court cases where workers' payments have been reinstated as a result of the failure of the Victorian WorkCover Authority to comply with section 123A of the Accident Compensation Act. Has the authority now received legal advice that thousands of notices about the reduction or termination of payments which were sent from November 1992 onwards are defective because they did not comply with section 123A of the Act and notify people of their full rights of reply? Will the Minister take action to reinstate immediately the benefits of workers that were illegally terminated or reduced by those notices?

Hon. R. M. HALLAM (Minister for Local Government) — I confirm that there has been a legal challenge to the termination notices applied in some circumstances. Mr Theophanous may well be right in suggesting that it has raised the legality or efficacy of a number of notices that he has mentioned. I advise the House that this matter relates to notices delivered very early in the life of WorkCover. I am not in a position to determine how many notices are involved — —

Hon. T. C. Theophanous — Will they be reinstated?

Hon. R. M. HALLAM — I can confirm that, so far as I am aware, there has been no challenge to the notices that were issued over the past few months. I understand that the validity of the notice is extremely legal by nature. If there is a shortcoming, it turns upon a legal definition.

Hon. T. C. Theophanous — Have you had legal advice?

Hon. R. M. HALLAM — Of course I have had legal advice due to the very nature of the issue that has been raised and I am still taking legal advice.

Hon. T. C. Theophanous — What is it?

Hon. R. M. HALLAM — I confirm that I have the issue under close scrutiny and it is being assessed, even as I am responding to the question.

PUBLIC HOUSING

Hon. R. A. BEST (North Western) — The Minister for Housing will be aware that the mix of public housing accommodation is a difficult issue, particularly as the government has been left with a substantial amount of old and inappropriate stock. Will the Minister advise the House of any plans he has to redevelop old bed-sit flats that are managed by the Department of Planning and Development?

Hon. R. I. KNOWLES (Minister for Housing) — As Mr Best said, it is an important issue as many of the bed-sits that may have been appropriate when they were constructed are now difficult to let, given that they are very small and consist of only one room. In many areas the solution is to demolish the units and construct new ones. In a number of other blocks it may be feasible and practical to convert two flats into one so that each of the elderly person units has a separate bedroom.

The department, at my request, is now conducting a review of all those buildings in an attempt to develop a systematic approach to the conversion. In the meantime some work is being undertaken. The government has let a contract in Port Melbourne for the conversion of 12 bed-sits into single bedroom flats. That is a much more cost effective way of providing elderly person accommodation than the demolition of older units and the construction of new ones.

The department is in the process of calling tenders for the conversion of 50 bed-sits into 25 one-bedroom flats in high-rise buildings in Flemington, Carlton, Kensington and North Melbourne. It is a program that we will continue to work on. Recently I inspected the Frank Wilkes block of flats at Northcote where there has been a significant conversion of two bed-sit units into one flat. Until redevelopment was undertaken those flats were very slow to let. In the past many people
preferred to wait until other accommodation became available, but now the units are very popular and there is already a waiting list.

This is a cost-effective way for the department to redevelop and upgrade units and provide suitable accommodation at a much lower cost than would be involved in the demolition of old units and the construction of new ones.

Hon. ROSEMARY VARTY (Silvan) — Before question time I was about to provide the House with details of initiatives that the coalition government has taken to reduce State debt. As part of that I will explain the reasons why the government had to take action. Firstly, why is the level of debt important, and secondly, why does it require action?

Victoria’s public sector debt is significantly higher than that of any other mainland State. In 1992 Victoria’s public sector debt represented some 32 per cent of gross State product, while the debt in New South Wales was only 17 per cent. When one adds the cost of servicing the debt there is the problem of having less revenue available to be spent in other service areas. The high level of debt and the high cost of servicing the debt also impacts upon the State’s credit rating. Therefore, Victoria cannot borrow at low interest rates on international money markets as it could if its AAA credit rating were restored.

The initiatives the government is taking are aimed not only at better financial management but also at reducing the level of debt. The main part of the management element is that the government has established the Treasury Corporation of Victoria. It has centralised the borrowing and debt management activities of all the major public authorities. It transferred to the Transport Accident Commission liabilities for payments associated with Pyramid depositors.

The government has also improved the prudential supervision of State-owned and regulated financial institutions such as building and friendly societies. It has commenced payment on the outstanding deferred employer superannuation contributions which, when one adds to that the legislative reforms that will be put in place for public sector superannuation funds, will have a significant impact on the unfunded liabilities and over time will assist in improving Victoria’s credit rating.

The government is also repaying and refinancing the debt associated with the Victorian Development Fund, the Victorian Equity Trust and the Flexible Tariff Management Unit Trust.

One other major element of the Budget relates to the reform of government business enterprises. I was Deputy Chairperson of the former Estimates Subcommittee of the Economic and Budget Review Committee. When representatives of government business enterprises appeared before estimates hearings it was clear that massive resources were either being under-utilised or managed less than satisfactorily and, in some cases, less than accountably.

It was clear that a major plan needed to be devised to corporatisate a number of government business enterprises with the long-term view of privatising them. The classic example is the State Electricity Commission (SEC). Not only was there no way of identifying the unit costs of the various segments of the electricity industry — whether it be mining, power generation, power transmission or customer service — but also the Industry Commission report showed that approximately 35 per cent over-capacity existed in Victorian electricity utilities. In other words, capital equipment, which was not needed, had to be serviced. Perhaps that was because the SEC is an engineering-type entity.

However, it meant the community paid far and above what it should have. The electricity industry has to be broken down into corporatised units so that individual costs can be identified. Then we can identify whether the government needs to meet community service obligations.

Plans by the government to restructure the gas and water industries are already under way. Port authorities will be designated as reorganised bodies under the State Owned Enterprises Act and new boards will be appointed. The government is also examining reforms in racing and gaming, grain handling, and the operations of the State Trust Corporation.

The government also needs to examine the implementation of new commercial policies including tax equity and commercial taxation regimes to ensure that the State obtains an adequate
return on the enterprises that remain in government hands. It is pleasing to see a government that is prepared to address problems that have been inherent in those government business enterprises for so long.

As can be seen from the positive initiatives I have outlined, the Kennett government is restoring confidence in the State's economy and finances, which will lay the foundations for longer economic and employment growth. I have much pleasure in supporting the Bill.

Hon. D. A. NARDELLA (Melbourne North) — During the past 12 months it has become obvious in many areas that the Kennett government has commenced an era of division and hurt in Victoria. The problem with the Budget is that it deals purely and simply with economics in the absolute sense; it cares nothing about the effects of its policies, which are causing much of the hurt and division now facing Victorians.

The economic policies espoused by honourable members opposite have not worked in other countries and they will not work in Victoria. I have no doubt that within a short period the current account will experience a surplus. The shadow Treasurer in the other place, the honourable member for Sunshine, detailed figures showing that the Budget is already in surplus.

Hon. R. M. Hallam — He was not really so convincing, you understand?

Hon. D. A. NARDELLA — There has been argument about that. I do not doubt that the Budget will achieve a surplus.

Hon. R. M. Hallam — He said it is already in surplus. That is the indication of the sort of economics and accounting used in the past.

Hon. D. A. NARDELLA — The accounting methods of the new right are much better than the previous ones, are they? I suppose we are expected to take that on board! The Budget will go into surplus. Over a long period it will reduce debt. This Budget is the precursor of legislation designed to sell-off institutions. The government will use the proceeds to pay off debt. But it will actually drive debt levels much higher than they are at present.

Hon. R. M. Hallam — Do you agree with that?

Hon. D. A. NARDELLA — No, I do not agree about the institutions.

Hon. R. M. Hallam — What about the State Bank and Loy Yang B? Let's hear the story about the State Bank.

Hon. D. A. NARDELLA — They were policy decisions of the previous government which was placed in that position. That is part of being in government.

Hon. R. M. Hallam — Are you saying that policies change once you get into opposition?

Hon. D. A. NARDELLA — It was not our policy to sell off more than 40 per cent of Loy Yang B.

Hon. R. M. Hallam — What about Telecom? Try that!

Hon. D. A. NARDELLA — It is irrelevant.

Hon. R. M. Hallam — The State Bank would be a good place to start — I would like to hear the explanation about that!

Hon. D. A. NARDELLA — That is not relevant to the Budget Papers. The Budget contains shonky figures about economic growth.

Hon. R. M. Hallam — Don't talk to me about shonky figures — at least you should be able to identify them!

Hon. D. A. NARDELLA — Mr White went through a number of them. The gross domestic product will contribute about 0.7 per cent to economic growth next year; that fact is contained in the Budget Papers but it will not assist Victoria. That statistic will not assist the Victorian community that is now hurting. It will not help the unemployed or rural Victorians. The Budget fails in that key area of economic growth.

Hon. R. M. Hallam — Who will be assisted by the growth?

Hon. D. A. NARDELLA — There will be no economic growth to the degree necessary to improve the Victorian economy.

Hon. R. M. Hallam — You admit there is growth?
Hon. D. A. NARDELLA — Yes, there is growth, but it is lower than the projected growth of other States.

Hon. W. A. N. Hartigan — I do not think that is true.

Hon. D. A. NARDELLA — Yes, it is true.

Hon. W. A. N. Hartigan — Who said that?

Hon. D. A. NARDELLA — The Federal Treasury — it is around 3 per cent. The Budget Papers predict that during the next three years growth will be 2 per cent for 1994-95, 2.5 per cent for 1995-96 and 2.5 per cent again for 1996-97.

Hon. R. M. Hallam — Are you challenging those figures?

Hon. D. A. NARDELLA — No, I am saying that the growth rates are too low. The government should try for higher growth rates. The Budget does not do that and as a consequence will not assist the people of Victoria.

Hon. R. M. Hallam — Do you address that by simply changing the projections?

Hon. D. A. NARDELLA — No, that is not right. You need to have policies in place and the Budget does not provide those policies, which is a real problem for the government, but worse than that, it is a real problem for the community.

Hon. W. A. N. Hartigan — What is the real problem for the government?

Hon. D. A. NARDELLA — Mr Hartigan should have been listening: the lack of policies that will generate growth within the Victorian economy.

Hon. W. A. N. Hartigan — The lack of plans, not policies.

Hon. D. A. NARDELLA — Plans and policies. The government does not have either of them. Unemployment will continue to stay high, which is a tragedy for all Victorians, but especially the people in my electorate.

Hon. W. A. N. Hartigan — It is a tragedy.

Hon. R. M. Hallam — That is something we agree on.
Hon. D. A. NARDELLA — By developing projects such as the Domain tunnel and the Western bypass, creating a transport hub in Melbourne with its ports and rail system and making a more efficient road system to transport goods into and out of the metropolitan area. That is why the Western Ring-road is important, because even though it is partially open — it passes through my electorate — it is assisting companies to be more competitive, and I think the Minister would agree with that.

Hon. R. M. Hallam — I do agree with that and I am interested to hear what you have to say about it.

Hon. D. A. NARDELLA — Victoria should be building on its competitive strengths rather than raising debt levels with increased borrowings that are used to put people out of work.

Hon. R. M. Hallam — Do you admit that employees in the Public Service are a cost on the public sector?

Hon. D. A. NARDELLA — Of course they are.

Hon. R. M. Hallam — So you admit that reducing the burden on the public sector will reduce costs?

Hon. D. A. NARDELLA — Yes, but the important question is how debt is raised and how it is used. Victoria's capital works spending this year is the second lowest amount allocated for the last 20 years.

Hon. W. A. N. Hartigan — I regret to say you are right.

Hon. D. A. NARDELLA — Thank you. That is not a good position.

Hon. R. M. Hallam — We do not agree with the pump-priming mentality that brought us into this problem.

Hon. D. A. NARDELLA — You will get better outcomes from the effective use of pump priming than from depressing the economy.

It is certainly a philosophical difference between the opposition and the government, but depressing the economy and taking a large slab of money out of it in the current economic climate is making things worse.

Hon. R. M. Hallam — Taking money out of where?

Hon. D. A. NARDELLA — Taking money out of the economy.

Hon. R. M. Hallam — How?

Hon. T. C. Theophanous — Through taxes and charges.

Hon. D. A. NARDELLA — There are those elements, but money has been taken out of the economy because the incomes of the 15 000 people who left the Public Service last year and the 15 000 who left this year are no longer available.

Hon. R. M. Hallam — But they were paid from the public purse.

Hon. D. A. NARDELLA — Yes, that is right.

Hon. R. M. Hallam — How does that add to the economy?

Hon. D. A. NARDELLA — What I am saying is that once you take that money out of the economy you are depressing it.

Hon. W. A. N. Hartigan — You do not take it out of the economy.

Hon. D. A. NARDELLA — You are certainly not putting it in, are you?

Hon. W. A. N. Hartigan — It is a thing called conservation of resources: if you spend it you have to earn it.

Hon. D. A. NARDELLA — So if you have a situation where — —

Hon. W. A. N. Hartigan interjected.

Hon. D. A. NARDELLA — I am not doubting that. I think Mr Hartigan is right.

The ACTING PRESIDENT (Hon. P. R. Hall) — Order! Mr Nardella should not allow himself to be sidetracked by interjections.

Hon. D. A. NARDELLA — The reduction in confidence and the economic outlook for the State will not benefit Victoria. Mr White referred to the ludicrous situation in which it was confirmed in the other place that the government does not have an industry policy. After 12 months in government it does not have a plan or strategy to assist industry to prosper and grow.
Hon. R. M. Hallam — I hope you actually believe that.

Hon. D. A. NARDELLA — The government can talk about how it has reduced WorkCover premiums, removed the award system and made things more competitive and all those marvellous you-beaut things, but the situation is different in the real economic climate. People are not banging on the government's door asking to be let in because they want to invest.

Hon. Rosemary Varty — That just shows how little you know.

Hon. D. A. NARDELLA — The economic situation in Victoria is serious. The standard of living is declining not only for the current generation but future generations.

One of the most serious indictments of the government has been its closure of 55 schools last year, when, as I recall, about 1500 children were not accounted for, and that is a tragedy. To date a further 157 schools have been closed, so proportionally there may be some 4500 kids who may not enter the system again. At Ardoch Windsor, where there are usually 90 students at about this time of the year, 70 are not attending school. That is the tragedy, and it demonstrates the long-term effect of these sorts of Budget measures.

Hon. R. M. Hallam — That is not true.

Hon. D. A. NARDELLA — It is true. The Ardoch Windsor example is a true situation.

Hon. W. A. N. Hartigan — It is completely untrue.

Hon. D. A. NARDELLA — If you wish, I will actually provide the article I got the information from.

Hon. R. M. Hallam — So, it was in the newspaper?

Hon. D. A. NARDELLA — Yes.

Hon. R. M. Hallam — Does that make it true? Do you believe everything you read in the newspapers?

Hon. D. A. NARDELLA — I do not doubt it is true, and until evidence is provided to me that shows that that is not the case I will hold to that view.

The children of the future will find it more difficult to get an education. Our major strengths will not be developed through the education system. The whole issue of the quality of education goes out the window when schools are being closed down and amalgamated and the resources provided to schoolchildren are decreased.

Honourable members heard the vitriolic comments of Mr Smith about teachers and how they were all ratbags and scumbags who would not work a day in their lives and would not strike when they were on holidays and so on. He must know different teachers from those I know. That is not the attitude the State needs to help it develop in the 21st century as part of the second or first world culture, and technology and education are where our future lies.

The days of old ways of working are gone, such as the days when my father worked at Massey Ferguson in front of the furnaces, whether it was 0 degrees Celsius in winter or 45 degrees Celsius in summer, building tractors and other machinery. We must go into technology, because that is where the growth will occur, but this Budget does not provide for any of that.

Money is also being taken away from health services, and the situation will get worse over time. I was disappointed in the reply the Minister for Aged Care gave to a question from Ms Kokocinski today. I have no problem with the government saying it is cheaper to do operations at the Royal Victorian Eye and Ear Hospital than it is to do them at Shepparton. I have read press articles quoting the remarks of the Minister for Health saying that it is possible to perform 10 such operations in Melbourne compared with a much lower number at Shepparton.

However, I was disappointed to hear that people who have the sorts of problems to which the Minister referred will now need to find their way from Shepparton to Melbourne, and they may need to do so not only once but perhaps a couple of times or more because they will need to come to Melbourne not only for the operation but also for the follow-up and further consultations. It will probably be cheaper to perform the operations in Melbourne, but there is no provision for transport and other services that may be needed by people coming to Melbourne. The decision has been based solely on economics considerations without regard to the human effects.
A bad situation is being created in rural areas because fewer direct services will be available there. The Budget continues that trend.

Hon. R. M. Hallam — But you shouldn’t generalise because those patients could be referred to Hamilton, where they would meet one of the most eminent eye specialists in the community.

Hon. D. A. NARDELLA — That is probably the case.

Hon. R. M. Hallam — I assure you that is the case.

Hon. Pat Power — That is not the case if you are a Koori in Echuca.

Hon. D. A. NARDELLA — What the Minister says may be so, but under the present policies, and if the Shepparton situation is anything to go by, that specialist probably will not stay in Hamilton for much longer because it will be cheaper to perform the operations at the Royal Victorian Eye and Ear Hospital. Even if he takes a pay cut and does it for $500 in Hamilton, economics will dictate that he no longer operate there and that people will travel to Melbourne for their treatment.

If that is the government’s policy —

Hon. R. M. Hallam — That is not true.

Hon. D. A. NARDELLA — We will see what happens with that. If that happens — and it is certainly the case in Shepparton — other programs must be put in place to look after those people.

I am concerned about the Budget because it does not deal with the necessary issues. I hope the government will deal with some of the problems that will arise in a better way in the future.

APPROPRIATION (1993-94, No. 1) BILL

Second reading

Motion agreed to.

Read second time.

Ordered to be committed later this day.

BUDGET PAPERS, 1993-94

The ACTING PRESIDENT (Hon. P. R. Hall) — Order! The question is: That the Council take note of the Budget Papers, 1993-94.

Motion agreed to.

APPROPRIATION (1993-94, No. 1) BILL

Committed.

Clauses 1 to 3 agreed to.

Clause 4

The CHAIRMAN (Hon. D. M. Evans) — Order! I inform honourable members that at this stage they may discuss the programs shown in the table which form part of clause 4 and which appear at pages 7 to 20 of the Bill. I ask honourable members to nominate the particular program or programs to which their remarks are directed.

Hon. D. E. HENSHAW (Geelong) — It is traditional at this stage in debating the Appropriation Bill to list a number of programs and their effects on one’s province. If I were to do that in the case of Geelong, I would talk about a range of cuts to community service development grants and financial counselling services, the disappearance of the dispute settlement centre at Geelong, the reduction in funding for citizens advice bureaux, community health centres, hospitals and gerontological services, neighbourhood houses, which are an important component of today’s society, cuts to education and so on. The impact of some of those reductions and cuts may be small, but the impact across the entire community is considerable and is of concern.

Because I am confident that the government would not pay attention to my discussion of those cuts, I will concentrate on a only a few programs and use them to highlight certain matters that arose in the second-reading debate. I shall refer to Programs Nos 234, 237, 238, 319 and 320.

Program No. 234 deals with school support services. I want to refer to the Institute of Educational Administration, but I have not been able to find it in the Budget Papers. It was covered in last year’s Budget, but there has been some change in the situation. The House will recall that earlier this year the Chamber debated a Bill which enabled the government, if it so chose, to sell the institute. That caused considerable dismay in my electorate.
I raise the matter now because there is a lack of knowledge in the Geelong community about what is happening. I understand that the government has sought expressions of interest in purchasing the property nearly a decade ago. The government could allow the institute to function as a stand-alone facility providing support to both private and government schools. If it were an operating concern, it would build up its value again; by retaining it as an educational facility at the moment the government would get a reasonable price at a later stage.

Programs Nos 237 and 238 deal with primary and secondary education. As I said during the second-reading debate, the consequences of the changes to education are not good. The reduction in funding is scheduled to magnify over the years to 1996. The funding cuts have increased stress within the education system. There are fewer teachers and larger class sizes, and there is no way a deterioration in the quality of education can be avoided.

During the second-reading debate I made the point that the government was in danger of reducing the value of the education resource in Victoria, a resource that could be crucial to Victoria's economic recovery. I said the government needed to balance its ambition to handle the deficit by putting in place programs to reduce debt against the protection of education resources. That is a reasonable view. It is also reasonable for the government to set its balance at one point and for the opposition to have a different view.

Today I was concerned to hear Ms Asher say that I was guilty of naivety because I was content to have what our education system produces determined by time and the view of the community. I am content for the community to judge whether it is Ms Asher or me who is guilty of naivety.

I am also concerned about the so-called Schools of the Future program. I note that other education experts also have concerns about that program. My major fear is that it will lead to an increase in unequal student outcomes, particularly across different socioeconomic areas and school catchments. The prosperity of the schools of the future appears to depend on their ability to attract students and to obtain good academic results. It will also depend upon their ability to attract sponsorship. A popular school that gets good results will obviously find it easier to obtain sponsorship from a commercial or other organisation interested in the resultant kudos. That will lead to an opportunistic culture within successful schools, so they will not cope with students who have problems, are intellectually slower or disadvantaged or who come from homes that are in trouble and take an unfortunate view of society and are in trouble.

Traditionally our education system has encompassed teachers who have devoted extra time to students such as those and encouraged them. That has helped to give the children a positive attitude and assisted them in gaining constructive positions in society. I am concerned that the Schools of the Future program will generate a culture where those students are not encouraged to become members of those schools and they will drop out. I have seen evidence that children have dropped out of the system and no-one is chasing them up. Formerly there were truancy officers, but one would be battling to find a couple of officers across the State who are filling that role. That will cause a deterioration in education outcomes in our society as a whole, which will be dangerous.

I mentioned that a number of educational experts have pointed to some of the dangers of the Schools of the Future program. One of them is Mr Geoffrey Chandler, who had a long career in the Goulburn-Northeastern region, after which he became the regional director for the Barwon-Southwestern region. Last year he disappeared from the system, and it was not until I saw a newspaper report that I discovered he had taken a departure package. On the front page of the Geelong News on 12 October an article gave his reasons for taking a package and departing the education department. He was reported as saying:

I had a happy, successful and fulfilling career. But I had some concerns about the way education was going so I decided to stop a few months early.

He went on to explain that he was worried about the shift of emphasis towards business-driven schools. He saw the merit in the greater economy it affords the schools of the future, but he was also worried
that it would lead to inequity across education, that students would be penalised and disadvantaged and the excellent standards of the system would be undermined. He also expressed concern about the curriculum support staff being run down.

His view was that although autonomy has advantages it is not good to leave a school on its own for a period to develop constructive new initiatives about curriculum. He believes that there is a need for caution and that the input of new ideas from a central board is important. He highlighted the point about the potential inequity in the Schools of the Future program.

Program No. 319 provides for child and youth welfare services. I relate that program to a matter I raised during the second-reading debate when I made a detailed statement about cuts in funding to non-government organisations providing community residential services to young teenagers who have been profoundly abused and who are in need of support and encouragement so that they develop constructive relationships with society.

I made the point that the treatment of troubled youth was a difficult area for non-government organisations to operate in. These children tend to be intractable and extremely difficult to deal with. The funding for St Augustine’s Child and Family Services has been cut by a considerable amount. I was taken to task by Mr Forwood, who said there were inefficiencies in the system, and he referred to 400 unoccupied beds. In the handling of intractable and profoundly abused children, unoccupied beds are not by any means a measure of outcomes. The critical outcome is whether the child can be put back into a constructive position in society.

I flagged the point that although I have some positive views about the incorporation of figures in the Budget that indicate outcomes, they must be treated objectively and with care. Mr Forwood misled himself by focusing on occupied beds in community residences. If a difficult child is brought to the attention of a service, that young person must be dealt with immediately. In many cases it is sensible to retain unoccupied beds so that that can occur. As I said, in the area I was discussing that is not a consideration.

Mr Forwood also reproached me for saying that on average St Augustine’s had 13 occupied beds; his figures suggested it averaged 10 beds. I have spoken to the organisation and it has assured me that over the year the figure was nearer to 15 occupied beds.

There is a disparity between my view and that of Mr Forwood.

I turn now to Program No. 320, which deals with primary care. I will say something about kindergartens and child and maternal health services. I note that in the case of kindergartens the figures for the number of places made available for children entering kindergartens in both the past and prospective financial years indicate that about the same number of places will be available. I look forward to the possibility that in future we might see numbers of children enrolled rather than figures for places available — it may be a more important figure in subsequent years.

I also hope that when we come to the next set of Budget Papers the target is met. My expectation at the moment is that the figure for places for enrolment in kindergartens will not be realised. There is no escaping the fact that we will see a significant increase in fees for many kindergarten places, which will lead to a decrease in the number of children attending kindergartens.

As explained recently in press articles, research has shown that a year of kindergarten experience results in a permanent increase in a child’s IQ as measured in subsequent school years. There is no doubt that the kindergarten experience has a significant effect on educational outcomes. It is unfortunate that because the government seems to be driven by the concept of turning over to kindergarten committees of management its responsibility for finding savings, those kindergartens will be under pressure to implement the government’s policy of introducing employment contracts. In other words, the government is placing the onus on kindergartens to meet their budget restrictions by employing teachers at significantly lower salaries and introducing larger class sizes. That is an underhanded way of seeking to achieve Budget savings.

I have serious doubts about the quality of the experiences children will receive if class sizes have to be increased and there is a significantly changed work force, with perhaps young teachers who are prepared to take considerably lower salaries replacing many teachers who have considerable experience and expertise. I am pessimistic about the outlook.

I turn to child and maternal health services, which come under Program No. 319. Much has been said about the potential outcomes of the changes in child
and maternal health services. The changes could have merit; they could extend the range of child health services to cover children up to six years of age. Although that in itself has merit, it has been done within the confines of a budget that has not been adequately enlarged. The inescapable result will be that less attention will be paid to both mother and child during the early months and years of a baby’s life.

The mother-child unit is crucial to the satisfactory development of the child and to the ongoing satisfaction and competence of the mother. There is indisputably a shared culture among child and maternal health nurses, mothers and their babies. It is a constructive, productive and trusting relationship that mothers would not find if they visited their local general practitioners when in doubt about how to mother their babies. Further, it is likely that child and health maternal nurses are better able to provide the required information. My understanding is that all such nurses make a point of visiting mothers and their children when they come home from hospital, establishing a trusting relationship.

Unfortunately many babies, even when only a few months old, are the victims of significant abuse. A child maternal health nurse is in an ideal position to observe the effects of that abuse. It is the nurse who sees the baby unclothed during regular visits. If there are no visits, the nurse might chase up the family to see the baby. Those nurses are able to judge whether there has been abuse. That is obviously important in ensuring the safety of children and will also be important in the application of the proposed management and reporting processes. A diminution in the role of child and maternal health nurses is likely to result in cases of abuse passing unnoticed.

Hon. W. A. N. HARTIGAN (Geelong) — I wish to speak on Program No. 153, entitled “Industry, Regional and Trade Support”. Honourable members will know I have a passing interest in this area, which is not unrelated to the nature of industrial sector of Geelong, which has been one of the powerhouses in Australian and Victorian industry for many years. I am delighted to be following my colleague from Geelong, who also spoke about the values he finds in that city. I will attempt to address long-term technical developments in the Geelong area.

One of my first jobs was as a tariff officer for the Chamber of Manufactures. That organisation became active when in 1961 the Prime Minister of the day, then Mr Robert Menzies, removed import licensing. There are one or two people in the House who may recall that clearly, but I suspect not as clearly as I do. The first stages in the redevelopment of the Australian economy from the position that had existed in the 1930s under the Scullin government were initiated by Sir Robert Menzies, who had a certain amount of courage.

I first became interested in industrial development in Australia following the removal of all import licensing, a device by which the inflow of goods to Australia was regulated. That had been operating for the best part of 30 years following the first world war and the depression when Australia did not have sufficient foreign exchange resources to do all the things it wanted to do. The removal of import licensing caused unemployment to rise to 2.5 per cent.

That was a salutary lesson, especially when one recalls that Mr Menzies, as he then was, won the 1961 Federal election by only one seat — the Queensland seat of Morton, which was won for the Liberal Party by Mr Killen on Communist Party preferences. That was a beneficial if ironic result. God was looking after us that day!

Hon. Pat Power — So communists have their place?

Hon. W. A. N. HARTIGAN — They do, Mr Power; and as we know they have found it on the scrap heap of history. At that time I represented secondary industry in hearings before the tariff board. In those days, Australia was almost completely reliant on its agricultural sector for export income. It is not all that long ago that we lived on the sheep’s back, when our major exports were wool, meat, grains, dairy products and fruit.

Australia also relied heavily on its preferential trade arrangements with Great Britain. I believed at the time — my view has not changed since — that was not one of the best agreements ever negotiated. The preferential trade arrangements were based on a 150-year old relationship, which the Prime Minister of the day was beginning to change. But at that time Australia was dependent on a narrow range of exports. We also had a very restrictive industrial relations system; a taxation structure based on progressive tax rates; an economic structure that decoupled wages from productivity and productivity from competition; and high rates of taxation.
A year or two later I moved to the Ford Motor Co. of Australia, becoming its export manager. I say that for those honourable members who are interested, especially those who displayed such a keen interest earlier in the day. Honourable members may find it curious that when I joined the company Ford was exporting motor cars to South Africa, Singapore, Thailand, Malaysia, New Zealand, Great Britain, Japan and the West Indies. In those years — 1964 and 1965 — our friends at General Motors-Holden had a similarly thriving business.

In the 1960s the industry was reasonably competitive, and I do not recollect the existence of any exporting incentives. Honourable members must remember that that was not very long after the second world war. Many countries, including Japan, were in the process of adopting industry protection and high taxation policies. So we were living in a world in which our competitors were moved by the same considerations.

Over the past 30 years Australia has moved away from policies designed to protect a closed economy, which were less concerned than they should have been about the international competitiveness of our industries. At that time we were more concerned about conserving our limited reserves of foreign exchange. We were competing in an environment in which that was not too difficult, because the system largely operated itself.

Australia lost its way in the mid-1970s. Those honourable members either young enough or brave enough to remember the Whitlam years will recall that in only four years Mr Whitlam destroyed the Australian economy through high inflation and high unemployment. Mr Clyde Cameron has had the good grace to admit that the two years he spent as Minister for Labour represented the biggest disaster visited upon the Australian economy since European settlement. Mr Whitlam and his government destroyed Australia's competitiveness in one fell swoop.

At the same time as Gough Whitlam was travelling around the country trying to advance his stature as a patron of the arts and a great renaissance figure, the rest of the world was undergoing considerable change. Had we been able to properly recognise Mr Whitlam's Medici-like aspirations, we would have erected a 12-foot high statue, not of Lorenzo the Magnificent but of Gough the Magnificent. That would have suited him down to the ground!

Hon. Pat Power — He did have a wife who could kick-start a Harley!

Hon. W. A. N. HARTIGAN — I have the greatest respect for his wife, who is a gifted woman of the sort we too rarely see.

In the mid-1970s Australia ignored the changes taking place in the rest of the world. But countries such as Japan, which not too many years before had an average per capita income substantially lower than that of Australia's, discovered that it could get a jump on the rest of the world by revisiting the industrial and economic environment that had operated successfully under the aegis of the west for almost 150 years.

It is important that we understand that Japan discovered it could achieve economic growth, economic competitiveness and high quality production while simultaneously reducing costs. I repeat: Japan discovered that it could improve quality and reduce costs simultaneously, while guaranteeing its work force continuing increases in real income for more than 30 years.

For the next 20 years Australia managed to achieve the reverse, for the very good reason that we ignored all of the economic precepts that Japan had successfully followed. So we moved from defending local manufacturers to exporting products that were internationally competitive to a situation in the 1970s where insanity reigned in Canberra and personal vanity became more important than national success.

Nevertheless, for the past decade Australia has been coping, albeit imperfectly. We have reached the stage where a Federal Labor government has adopted the view — the Federal opposition accepts the same view in principle — that Australia's future success depends largely on our ability to compete internationally. We need to do so if we are to have any chance of guaranteeing long-term economic growth and achieving higher levels of employment than those that exist today. I freely admit the current levels of unemployment are a disgrace, and no members of this or any other Parliament could possibly think that the situation is acceptable.

Australia now has a more open economy, and State governments can no longer pursue strategies in isolation from the actions of the Federal government. We can no longer pretend, as we may have been able to 30 years ago, that Victoria can make decisions that are completely independent of...
decisions made in the rest of Australia or the rest of the world. It is nonsense to suggest that a Victorian government could decide to intervene in industry without having regard to the strategies being pursued throughout Australia and overseas.

The government is addressing the loss of Victoria's relatively high economic capacity and performance. The opposition has suggested that the government should, like the Labor government intervene in the economy, but even with the most charitable interpretation, Labor's intervention did not pick many winners.

One of the opposition speakers — it may have been Mr White — said there was agreement on the absolutely disastrous power pricing negotiations for the Portland aluminium smelter. I investigated that and was told that at no stage were the arrangements that allowed the price of power to fluctuate with the price of aluminium discussed with or agreed to by the then opposition. It is not a question of whether the government should be involved in the pricing policy. I have no argument with that. After all, the State Electricity Commission is an instrumentality of the State and intervention was unavoidable. However, it was handled very badly — —

Hon. T. C. Theophanous — How would you know?

Hon. W. A. N. HARTIGAN — It is very simple. One does not have to be too bright — Mr Theophanous falls into that category — to understand the arrangement. Do you know what a tariff clerk is, Mr Theophanous?

Hon. T. C. Theophanous — I know what it is.

The ACTING CHAIRMAN (Hon. D. E. Henshaw) — Order! Mr Hartigan should address his remarks through the Chair.

Hon. W. A. N. HARTIGAN — The Labor government's intervention surely demonstrates to any thinking person that there is a prospect of the process being messed up. Some opposition members — I will not name them — could be guaranteed to mess up whatever they were put in charge of. It should be evident to the opposition that Labor's attempt to intervene was a total failure. The government is committed to a program of global trade that has been agreed to at the national level by all major parties — —

Hon. T. C. Theophanous — What?
valuable community services and giving private enterprise an opportunity to compete successfully on the international market.

Clause agreed to; clauses 5 to 12 agreed to; schedules 1 to 3 agreed to.

Reported to House without amendment.

Passed remaining stages.

PUBLIC SECTOR MANAGEMENT (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time for Hon. M. A. BIRRELL (Minister for Conservation and Environment) on motion of Hon. R. I. Knowles.

TOBACCO (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. R. I. KNOWLES (Minister for Housing).

APPROPRIATION (PARLIAMENT 1993-94, No. 1) BILL

Second reading

Motion of Hon. R. M. HALLAM (Minister for Regional Development) (last debated 19 October) agreed to.

Read second time.

Passed remaining stages.

ADJOURNMENT

Hon. R. I. KNOWLES (Minister for Housing) — I move:

That the House do now adjourn.

Wimmera West Grampians Neighbourhood House Network

Hon. PAT POWER (Jika Jika) — I raise a matter with the Minister for Housing and seek his assistance in conducting discussions with his colleague the Minister for Community Services in another place. The Wimmera West Grampians Neighbourhood House Network has expressed concern about its predicament. Its advice to me is that it has an understanding that the State government says it is committed to the neighbourhood house program, but that network has experienced, in its words, total defunding. Six houses in that network — houses at Nhill, Warracknabeal, Horsham, Murtoa, Stawell and Ararat — have been severely penalised by this defunding of the system.

The network is particularly curious given that next year an adjacent network is to receive funding of $14,000, despite a 50 per cent cut. It has put to me that it commenced receiving funding only in 1992 — a mere $2000 — and received just $5000 in 1993. In the words of network members:

In our far-flung centres ... we have been set adrift.

On their behalf I ask the Minister for Housing to inquire of his colleague why this decision was made to defund the network totally. Also, what response has the government made to requests for a review of the decision?

WorkCover notional earnings

Hon. T. C. THEOPHANOUS (Jika Jika) — I raise a matter with the Minister for Local Government as Minister responsible for WorkCover. The Minister has on a number of occasions said that he sees notional earnings in the WorkCover legislation as a reserve power and has also indicated that guidelines have been established so that notional earnings would not be used for the time being and has only been used in cases where there were actual earnings by part-time workers.

I draw the Minister’s attention to a letter to me from CIC Insurance. I will make a copy available to the Minister. The letter relates to an employee named Ms Adonis, who is 53 years of age and was previously employed by H. F. and R. Associates as a supervisor in the secretarial department.

The claims agent has sent Ms Adonis a letter drawing her attention to section 93B(1)(c) of the Accident Compensation Act, which sets out the entitlements of a partially incapacitated worker. The letter states:
As such, pursuant to section 93(8)(l)(c) of the Act, your weekly payment of compensation will be reduced from $425 to $362 minus notional earnings of $538.46, leaving nil dollars per week.

This is a clear example of the application of notional earnings. I will make the letter available to the Minister. I seek from the Minister an undertaking that he will investigate the matter and seek a reversal of the decision made by CIC Insurance, making it absolutely clear to the company that the notional earnings provision is not to be used until the Minister has decided whether to alter its status as a reserve power.

Registration of valuers

Hon. D. E. HENSHAW (Geelong) — I wish to raise a matter with the Minister for Regional Development representing the Minister for Finance, although the Minister may be able to respond to my problem directly.

I have received a representation from a member of the Victorian division of the Australian Institute of Valuers and Land Economists directing to my attention an investigation carried out and report released by the Vocational Education, Employment and Training Committee (VEETAC) on behalf of both State and Federal governments into whether there is a need for registration of valuers throughout Australia. As I am told, it would seem that there is a push by the Federal government and some State governments at least to do away with registration boards and valuers.

I find that difficult to comprehend because the system of registered and qualified valuers ensures more consistency in valuations. I take it the Victorian Valuation Professional Board is a registration board. The concern is that if the board is disbanded no valuer registration will be required in Victoria or elsewhere in Australia, and that anybody regardless of qualification could claim to be a valuer of real estate. In other words, the concern is that ethical controls set by the Victorian Valuers Qualification Board would be abandoned. I would appreciate it if the Minister would give some assurance in this regard or take the matter up with his colleague.

Counselling for sexual assault victims

Hon. B. E. DAVIDSON (Chelsea) — I direct a matter to the attention of the Minister for Housing as the representative in this House of the Minister for Community Services in this House. My concern arises from the lack of counselling available for sexual assault victims in the Frankston and surrounding districts. I shall make available to the Minister an article from the Frankston Standard of 18 October which states that a research team preparing a report on sexual abuse, rape and incest in Frankston claims there is a dire shortage of counselling services for victims. A group sponsored by Frankston TAFE said the Frankston community policing squad has attended to some 290 sexual assault cases this year. It is concerned that with mandatory reporting of child abuse expected to come into force in November added strain will be placed on the already overstretched services in the Frankston and surrounding areas. The group intends to lobby local members of Parliament, so I suspect the Minister will hear a deal more from it in the near future.

I am informed that the services available for people who are unable to afford private counselling are almost non-existent and there are long waiting periods, especially in the case of much-needed immediate counselling of victims. Self-help groups are springing up in the area, which shows that people in Frankston are willing to do what they can to help, but they say they need professional counselling and they need it quickly. The Minister will be aware that the victims of sexual abuse and child abuse are extremely vulnerable.

I seek an undertaking from the Minister for Housing or his colleague in another place that sufficient funds will be made available immediately rather than waiting until mandatory reporting is introduced and trying at some later stage to patch up the shortfall. I know we cannot get it exactly right, but it would seem to be a terrible neglect by the government and by all of us who represent the community if we were to allow matters to proceed to a stage where people were left on their own without counselling simply because of a lack of funds.

Responses

Hon. R. M. HALLAM (Minister for Regional Development) — Mr Theophanous raised with me the issue of notional earnings, a subject that has been debated on a number of occasions in this Chamber, and he asked that I investigate the specifics of the case he mentioned. He was kind enough to supply me with a copy of the letter on which he is relying. I undertake to investigate the circumstance he brought to my notice and to report back to him on the specifics of the case.
Hon. T. C. Theophanous — Do you agree notional earnings should apply?

Hon. R. M. HALLAM — So far as I am aware the position is that the code of practice has not yet been finalised and notional earnings are not being used, but I need to investigate the circumstances in this case.

Mr Henshaw raised with me an issue that has been brought to his attention by Mr Allan Kearns, the Chairman of the Victorian Valuation Professional Board, which goes to the question of the continuation of the board in this State. In prefixing his question Mr Henshaw noted that this is an issue that is more within the responsibility of my colleague the Minister for Finance, and I shall take up the specifics of the issue with him.

I respond in general terms that the government, like its predecessor, has been following the issue of the standardisation of professional qualifications across Australia with much interest and has been pursuing the prospect of the deregulation of professions that are regulated in some States and not in others. Our policy is that by standardising the professions we improve the rate at which people can cross State borders and follow their professions. We all agree that that is an appropriate outcome. Against that general background on the standardisation of professional qualifications I shall take up the specific issue raised by Mr Henshaw and report back to him.

Hon. R. I. KNOWLES (Minister for Housing) — Mr Power raised the matter of the Wimmera/West Grampians Neighbourhood House Network and asked me to obtain from my colleague the Minister for Community Services an explanation of why the funding was cut. I shall certainly convey Mr Power's concern to my colleague.

Mr Davidson asked to convey to my colleague the Minister for Community Services what he believes is a lack of adequate counselling for sexual assault victims in the Frankston area. The need for support for sexual assault victims is significant and of real concern to the government. I shall certainly take up that issue with the Minister for Community Services.

Motion agreed to.

House adjourned 4.39 p.m. until Tuesday, 26 October.
WOMEN’S AFFAIRS — PUBLIC RELATIONS CONTRACTS/CONSULTANCIES

(Question No. 69)

Hon. R. S. IVES asked the Minister for the Arts, for the Minister responsible for Women’s Affairs):

In relation to consultancies, engagements, appointments or contracts for work valued in excess of $50 000 entered into since October 1992 to publicise, promote, highlight or in any way assist with the public relations or information dissemination activities of the Minister, her department or the statutory authorities or agencies for which she is responsible:

(a) What is the name of each company or agency so engaged?
(b) For each company or agency so engaged or contracted — (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement and, if so, on what date and in which newspaper; and (v) was Tender Board approval obtained?

Hon. HADDON STOREY (Minister for the Arts) — The answer supplied by the Minister responsible for Women’s Affairs is:

Since October 1992, no consultancies, engagements, appointments or contracts for work valued in excess of $50 000 have been entered into by the Office of Women’s Affairs to publicise, promote, highlight or in any way assist with the public relations or information dissemination activities of the Minister responsible for Women’s Affairs, her department or the statutory authorities or agencies for which she is responsible.

GAMING — PUBLIC RELATIONS CONTRACTS/CONSULTANCIES

(Question No. 107)

Hon. B. T. PULLEN asked the Minister for Gaming:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of $50 000 entered into since October 1992 to publicise, promote, highlight or in any way assist with the public relations or information dissemination activities of the Minister, his department or the statutory authorities or agencies for which he is responsible:

(a) What is the name of each company or agency so engaged?
(b) For each company or agency so engaged or contracted — (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement and, if so, on what date and in which newspaper; and (v) was Tender Board approval obtained?

Hon. HADDON STOREY (Minister for Gaming) — The answer is:

As of 11 August 1993, no such consultancies, engagements, appointments or contracts had been entered into by myself, my department, any statutory authorities or agencies for which I am responsible and which were valued in excess of $50 000.
ATTORNEY-GENERAL — PUBLIC RELATIONS CONTRACTS/CONSULTANCIES

(Question No. 109)

Hon. B. T. PULLEN asked the Minister for the Arts, for the Attorney-General:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of $50,000 entered into since October 1992 to publicise, promote, highlight or in any way assist with the public relations or information dissemination activities of the Minister, her department or the statutory authorities or agencies for which she is responsible:

(a) What is the name of each company or agency so engaged?

(b) For each company or agency so engaged or contracted — (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement and, if so, on what date and in which newspaper; and (v) was Tender Board approval obtained?

Hon. HADDON STOREY (Minister for the Arts) — The answer supplied by the Attorney-General is:

Since October 1992, no consultancies, engagements, appointments or contracts for work valued in excess of $50,000 have been entered into by the Attorney-General to publicise, promote, highlight or in any way assist with the public relations or information dissemination activities of the Attorney-General, her department or the statutory authorities or agencies for which she is responsible.

FAIR TRADING — PUBLIC RELATIONS CONTRACTS/CONSULTANCIES

(Question No. 111)

Hon. B. T. PULLEN asked the Minister for the Arts, for the Minister for Fair Trading:

In relation to consultancies, engagements, appointments or contracts for work valued in excess of $50,000 entered into since October 1992 to publicise, promote, highlight or in any way assist with the public relations or information dissemination activities of the Minister, her department or the statutory authorities or agencies for which she is responsible:

(a) What is the name of each company or agency so engaged?

(b) For each company or agency so engaged or contracted — (i) what was or is the purpose of the engagement, consultancy or contract; (ii) what was or is the period of the engagement, consultancy or contract; (iii) what was or is the dollar value of the engagement, consultancy or contract; (iv) was the work to be undertaken advertised publicly prior to the engagement and, if so, on what date and in which newspaper; and (v) was Tender Board approval obtained?

Hon. HADDON STOREY (Minister for the Arts) — The answer supplied by the Minister for Fair Trading is:

Since October 1992, no consultancies, engagements, appointments or contracts for work valued in excess of $50,000 have been entered into by the Office of Fair Trading to publicise, promote, highlight or in any way assist with the public relations or information dissemination activities of the Minister for Fair Trading, her department or the statutory authorities or agencies for which she is responsible.

Museum OF VICTORIA — NEW SITE

(Question No. 115)

Hon. D. R. WHITE asked the Minister for Major Projects:

In relation to the government’s decision not to build the new Museum at Southbank:

(a) By what criteria has the government decided that Southbank is an inappropriate site for the new Museum and were they made public at the time of the decision?

(b) Does the Carlton Gardens site fulfil these criteria?

(c) Under what process was the Carlton Gardens site chosen?

(d) Which other sites were considered and rejected, and why?

(e) How much money will be lost in any relocation from Southbank?
Tuesday, 19 October 1993

QUESTIONS ON NOTICE

COUNCIL

(f) What will happen to the Tea House and the staff that currently occupy it and at what cost?

(g) What is the brief for the proposed Carlton Gardens Museum project and does it differ from the Southbank brief?

(h) What are the details and timetable for the funding and construction of the Carlton Gardens Museum project and could the same funding structure and construction schedule be applied to other potential Museum sites?

(i) How will the delay in the project affect the condition of the Museum collection and staff morale?

(j) How do the new uses for the sites comply with the Melbourne Planning Strategy and, in regard to the Southbank site, the Docklands Planning Strategy?

(k) Can the Exhibition Buildings be converted into a modern Museum space without causing irreparable damage to their physical and historical fabric?

Hon. M. A. BIRRELL (Minister for Major Projects) — The answer is:

(a) The government, after full consideration of the available sites, determined that the best site for the urgently needed Exhibition Centre was the Southbank site. The coalition announced its decision not to build a Museum on the site in its major projects policy announced publicly by the coalition on 6 September 1992.

(b) The Royal Exhibition Buildings site has been determined to be fully suitable as the site for the new Museum. The new Museum will secure a continued civic role for the site, will be constructed on the large available area of land (used currently for car parking) and will compliment the restored Great Hall building.

(c) The site was chosen after evaluation of prominently located, government-owned sites to meet criteria such as site area, proximity to CBD, public accessibility, public transport and traffic access.

(d) Other sites which were considered and rejected were the Queen Victoria Hospital site and Docklands. The QVH site would have necessitated a Museum development over 7 storeys which was considered to be functionally unviable and more costly. Docklands was considered to be costly to develop, requiring major additional expenditure on railway relocation and new infrastructure provision, and less accessible.

(e) On 18 June 1993 the member was provided with full costing documentation in response to his FoI request on the Museum. The previous government's decisions meant that much of these funds were squandered, as no Museum was ever built and the required development budget never provided.

It is anticipated that over $14 million of the money spent on the Museum at Southbank will be effectively utilised in the new Exhibition Centre (e.g. the $6 million concrete shell structure) or the new Museum (e.g. Omnimax).

(f) The Tea House will be held by government, pending a detailed analysis of its use in either the exhibition project or for the provision of government facilities.

(g) The brief for the new Museum is now being developed in detail by the Museum with the Office of Major Projects. The scale and extent of the facilities provided on the site will be greater than that proposed for the Southbank site, these improvements being publicly announced by the government on 19 May 1993.

(h) The contract documentation for the project will be carried out over the next two to three years so that tenders for the full development of the project can be called late in 1995.

The cash flow required for the project will be fully met from revenue received by government from the temporary and permanent casinos. This ensures the project will proceed and not be cancelled, delayed and altered in the way it was by our predecessors.

(i) The Cain and Kirner governments failed to deliver on their numerous promises to build a new Museum on either of the two separate sites they nominated over 10 years. The Agenda 21 program ends these delays and will see a Museum development occur, thus boosting the morale of staff, supporters and users.

(j) The City of Melbourne Strategy Plan recommended that a management plan be prepared for the Carlton Gardens, as an important public open space. This management plan discussed the role of tourism of the Exhibition Buildings and recommended improved public transport access, which is now being achieved with the city tram loop. The recent review of the City of Melbourne Strategy Plan stated the council's desire for the Museum to be located within the central activities district. The Southbank site is reserved for other public purposes. Therefore the Exhibition Centre is appropriately on this site.

(k) The existing Great Hall of the Exhibition Building will be retained and fully restored. The building will be managed by the Museum and will be used for civic purposes; for instance, it will be available in its restored condition for major public functions or events. It will not be used for permanent Museum displays.

STATE Library — REDEVELOPMENT

(Question No. 117)

Hon. D. R. WHITE asked the Minister for Major Projects:

(a) How can the State Library redevelopments occur until the Museum has moved out of its current Swanston Street premises?

(b) How will the delay in the project affect the condition of the Library collection and staff morale?
Hon. M. A. BIRRELL (Minister for Major Projects) — The answer is:

(a) The government has committed $39 million to the development of the next phase of the Library. All the work under this program can be contained within existing free space (courtyards) or spaces currently occupied by the State Library.

The relocation of rare books, manuscripts, pictures and newspapers to the Russell Street buildings has been completed and customer services are now provided from that location. The remaining staff facilities are now being relocated from the LaTrobe wing so that work can start on the new project late this year.

The first component of the work will include the renovation of the LaTrobe Wing, Queen’s Hall, Palmer and Monash halls and levels 1 and 2 of the Dome, the infill of the north-east and north-west courtyards and the construction of new east and west link buildings.

The completion of this work will permit the decant of other facilities to these new buildings and thus free up space for further stages of the project to proceed. These moves will be coordinated with the development of the Museum to ensure that the most effective use is made of the Swanston Street site and may include the decant of some Museum storage facilities to expedite Library priorities.

(b) The $39 million commitment reflects an increased priority for the Library, which is fully budgeted. The first part of the project when completed will provide the Library, for the first time, with consolidated administrative services including personnel, finance, information technology for both LaTrobe and the reference libraries.

WORKCOVER

(Question No. 119)

Hon. T. C. THEOPHANOUS asked the Minister for Local Government)

Of the number of WorkCover beneficiaries as at 30 July 1993 classed as totally incapacitated, how many are “seriously injured” and totally incapacitated but not “seriously injured”, respectively?

Hon. R. M. HALLAM (Minister for Local Government) — The answer is:

Insurers have been instructed to progressively review each WorkCover beneficiary to establish whether they are “seriously injured” or “totally and permanently incapacitated”. This review applies particularly to those claimants who had exceeded 104 weeks weekly compensation at 1 December 1992, and whose weekly compensation would cease on 30 November 1993 if not assessed as “seriously injured” or “totally and permanently incapacitated”.

This review was formally commenced with the issue of guidelines to insurers on 27 August 1993; however review of individual cases has taken place since 1 December 1992.

As the review progresses, the number of claimants entering the categories of “seriously injured” and “totally and permanently incapacitated” will increase at the expense of other categories. The volume of movement into the former categories — which entitles claimants to ongoing weekly benefits — will rapidly increase as 30 November 1993 approaches.

The Victorian WorkCover Authority advises that of the 16 426 injured workers receiving weekly compensation payments as at 31 July 1993:

- 621 were seriously injured, and
- 198 were totally and permanently incapacitated.

Of the 15 774 injured workers receiving weekly compensation payments as at 30 September 1993:

- 808 were seriously injured, and
- 934 were totally and permanently incapacitated.
Tuesday, 26 October 1993

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 2.32 p.m. and read the prayer.

RACING (FURTHER AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. W. R. BAXTER (Minister for Roads and Ports).

RURAL FINANCE (VEDC ABOLITION) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. R. M. HALLAM (Minister for Regional Development).

PHYSIOTHERAPISTS (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. R. I. KNOWLES (Minister for Housing).

HEALTH (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. R. I. KNOWLES (Minister for Housing).

QUESTIONS WITHOUT NOTICE

WORKCARE REHABILITATION SERVICES

Hon. T. C. THEOPHANOUS (Jika Jika) — I refer the Minister responsible for WorkCover to the recent sale of WorkCare Rehabilitation Services to Work Recovery Pty Ltd, which is owned substantially by Work Recovery Inc., Arizona.

Will the Minister confirm that Mr Geoff Vincent was contracted or employed by the Victorian WorkCover Authority and/or WorkCare Rehabilitation Services to facilitate the sale, and is the Minister aware that Mr Vincent is now the Chief Executive Officer of Work Recovery Pty Ltd — the company which purchased WorkCare Rehabilitation Services?

Hon. R. M. HALLAM (Minister for Local Government) — I am not in a position to comment on Mr Geoff Vincent and his purported role in the sale. However, the organisation WorkCare Rehabilitation Services has been available for purchase for some time. That much has been known publicly, and I can throw no light on the particular aspect of the sale to which Mr Theophanous refers.

Hon. T. C. Theophanous — Are you aware that he is the chief executive?

Hon. R. M. HALLAM — No, I am not aware of that, but I will provide a detailed response to the question.

MULTIPURPOSE CENTRES

Hon. B. W. BISHOP (North Western) — Will the Minister for Housing advise the House of progress made in establishing multipurpose centres in rural Victoria?

Hon. R. I. KNOWLES (Minister for Housing) — I thank Mr Bishop for his question, as it is an issue in which he has been interested for some time. The multipurpose service project under which the multipurpose centres will be developed is a joint Commonwealth-State initiative aimed at trying to find a mechanism to better meet the needs of small rural communities.

It has been anticipated that funding under a number of programs will be combined. Those programs include: acute health, nursing home and hostel care; Medicare and pharmaceutical services; and home and community care services. The combination of the funding streams into one funding unit it will enable more flexible programs to be developed to better meet the needs of those communities.

The Commonwealth government invited the States to nominate possible sites for pilot projects to be undertaken. Victoria nominated five sites, one for
each of the health and community services rural regions. We received a response from the Commonwealth government, but unfortunately it did not agree to fund the five projects; instead, it indicated a willingness to fund only two. Victoria will make further representations to the Commonwealth in an endeavour to ensure that all five projects are funded. It is important not only to have centres in each region participate in the pilot study but also to have a mix of various communities so that we can see how well the concept works in practice.

The full benefits of the concept will not be realised unless it is a joint Commonwealth-State program. If it is undertaken only at State level the number of funding streams that can be brought into the one funding unit will be limited. The Commonwealth's decision is regrettable, particularly as we were confident that Victoria would be allocated five sites. It is inexplicable that we should be offered only two sites when the Commonwealth intends to fund 16 sites Australia-wide. I hope it does not indicate the Commonwealth's lack of understanding of the needs of country Victoria and the isolation many of those rural communities experience.

Hon. D. R. White — We should get at least four!

Hon. R. I. KNOWLES — Indeed. I believe we should have got all five centres, but at least we should have got four, which would have enabled us to have the mix of centres to which I referred.

We were hoping to have centres at places like the Mallee Track — in which Mr Bishop is particularly interested — and Orbost in East Gippsland. Each of those communities has different needs and each now has a slightly different structure of services. If we had been able to get the range of pilot projects we planned, we would be able to establish the effectiveness or otherwise of the concept of multi-purpose service centres. The Victorian government takes the matter seriously and will pursue it with the Commonwealth government in an effort to achieve the full potential of what I believe is a good concept.

FIRE PROTECTION SERVICES

Hon. B. T. PULLEN (Melbourne) — The question I ask the Minister for Conservation and Environment concerns fire protection of our national parks and forests. Given the Budget cuts and the number of experienced officers who have taken voluntary departure packages, what steps will the Minister take to ensure that the services provided by the department to protect forests and national parks are adequate this summer season? Can we expect the same sort of protection that has been provided in the past?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — Fire management is the responsibility of the Minister for Natural Resources.

Hon. B. T. Pullen — In national parks? You don't care about those?

Hon. M. A. BIRRELL — I would think that even the former Minister would know that one does not have separate fire management regimes for different areas of public land; one has a comprehensive regime that deals with the whole area. We will ensure that the system is highly professional and extremely well positioned to deal with the annual fire threat.

Mr Pullen referred to voluntary departure packages. His concern is interesting. I hope it was in the forefront of his mind when the former government introduced an almost identical program of enhanced resignation packages. The former Minister seems to forget that at about the time he was the Minister 205 people left the department under that program.

Hon. T. C. Theophanous — It is a burning issue!

Hon. M. A. BIRRELL — The comment made by Mr Theophanous shows how seriously the opposition takes the issue. If Mr Pullen has a specific question to ask, I will have much pleasure in referring it to the Minister responsible.

FLOOD DAMAGE TO ROADS AND BRIDGES

Hon. P. R. DAVIS (Gippsland) — I ask the Minister for Roads and Ports whether the cost of repairing road and bridge damage caused by the recent floods interfered with the planned program of new road works under the Better Roads Victoria program?

Hon. W. R. BAXTER (Minister for Roads and Ports) — Mr Davis has raised an important issue that is causing a great deal of concern, particularly around country Victoria and in Gippsland but probably in the suburbs as well. The House knows that the Better Roads Victoria program is funded by the 3-cent levy. A number of projects funded from that levy have been announced since the Budget,
including announcements made recently about works in the provinces represented by Mr Davis, Mr Smith, Mr Bowden, Mrs Wilding and Mr Davidson.

I know there is concern about whether the repair of the extraordinary road damage caused by flooding, particularly through the loss of bridges, will interfere with the planned program. It is anticipated that, although the damage will have some impact on the budget of VIC ROADS, the bulk of the repair work will be funded directly from the Treasury under the National Disaster Plan, the mechanism that is standard in these cases and has been used on many occasions. In that sense the repairs will have no impact on the Better Roads program.

I also take this opportunity to alert honourable members to the fact that the closing date for the first round of applications or nominations for projects by municipalities and other interested persons is 1 November — next week. That is not the end of applications. It is the finalisation of the first round. I look forward to making announcements in the new year about programs that will be funded during this financial year.

VICTORIAN CASINO CONTROL AUTHORITY

Hon. D. R. WHITE (Doutta Galla) — Now that it has been established that a subcommittee of Cabinet exists to provide policy advice to the Victorian Casino Control Authority, will the Minister for Gaming inform the House on what issues the authority has sought policy advice and on what issues the Cabinet subcommittee has provided policy advice to the authority?

Hon. HADDON STOREY (Minister for Gaming) — Mr White asked about a casino Cabinet subcommittee. He would know that a Cabinet subcommittee is covered by Cabinet confidentiality and it is not appropriate or proper for me to indicate anything about the discussions of such a subcommittee.

It is enough to say that the casino management agreement, which is the subject of legislation proceeding through Parliament, represents the results of the process undertaken by the Victorian Casino Control Authority and was ratified by recommendations made by the authority to government which were accepted by the government. The casino management agreement was then authorised to be signed by me, as Minister for Gaming, and it contains material that is the subject of the legislation which at present is in another place.

SEYMOUR TAFE CAMPUS

Hon. E. G. STONEY (Central Highlands) — Will the Minister for Tertiary Education and Training inform the House of any plans to establish a permanent TAFE campus in Seymour?

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — I thank the honourable member for his interest in this matter. At present the Goulburn Valley Community College of TAFE provides services to Seymour through temporary premises that consist of a relocatable building on the Seymour Secondary School site. That is totally inadequate for the provision of vocational education and training in the area. The conditions are cramped and at times the college staff have to scramble around Seymour to find accommodation for their teaching activities. It is an unsatisfactory arrangement.

I am pleased, therefore, to announce that the Office of Training and Further Education and the Shire of Seymour have reached agreement under which a lease will be given to take over vacant land owned by the shire for the purpose of a new permanent TAFE campus. Site work will start this week for the construction of a permanent sporting place, child-care centre and community room. The building will be funded by Commonwealth TAFE infrastructure programs and will be available for use by TAFE students and the general community.

In addition, the Office of Training and Further Education has negotiated the purchase of a substantial piece of land adjacent to the shire land, which will enable a campus to commence operation using temporary classrooms and support facilities that we hope to have in place by the beginning of the next teaching year. This will provide adequate facilities that will take the place of the totally unsatisfactory existing facilities. I thank the honourable member for Seymour in another place, Mr Stoney and Mr Craig, who have all worked hard to achieve this.

UNEMPLOYMENT IN MILDURA

Hon. PAT POWER (Jika Jika) — The Minister for Regional Development will be aware that statistics provided by the Federal Department of Education, Employment and Training indicate that the number
of jobless in Mildura has increased by an alarming 300 per cent over the past year. Can the Minister advise the House of any specific proposal he has developed that will positively address this devastating unemployment problem in Mildura?

Hon. R. M. HALLAM (Minister for Regional Development) — As a preliminary to considering the issue the honourable member has raised with me, I am right now having the veracity of those figures checked. The suggestion that in a very short time the number of jobless in that area should increase threefold indicates that there may be a particular problem, but there might also be a problem with the way the data has been collected and reported. As a preliminary process, the accuracy of those figures is being checked right now.

ELECTOR VARIATIONS

Hon. P. R. HALL (Gippsland) — I ask the Minister for Local Government what action he is taking to address any variations in elector numbers in wards or ridings throughout local government in this State.

Hon. R. M. HALLAM (Minister for Local Government) — Of the 205 municipalities in Victoria, 170 are subdivided, which means they are subject to the rules of the Local Government Act requiring that the distribution of voter numbers between ridings or wards be fair and equitable in each of the municipal districts. The trigger for the testing process involves a variation of 10 per cent or more.

The Act also requires that subdivided councils review voter numbers at least once every six years, and it just happens that most councils last went through the formal process in 1988, in which case they will be confronted with the need to carry out a review in 1994.

The last local government election provided the opportunity to analyse the position across local government, and the figures are concerning. They suggest that 166 wards or ridings in 95 councils had variations greater than 10 per cent; in other words, more than half of the councils across the State have internal boundaries that mean that at least one ward or riding is in breach of the guidelines.

I have written to the councils reminding them of the time lines involved in the Local Government Act and asking them formally to consider the review at the next council meeting. I hope in November, so that the time lines can be complied with.

I remind Mr Hall and other members that the review process councils are to undertake provides scope for public comment. I hope each member, given the opportunity, exhorts each council to follow that process. Any change has to be formally adopted by the council and the list of voters is required to be finalised well prior to the entitlement date of the beginning of May this year, so the time clock is running. I have written to councils reminding them of the time lines and asking each council to cooperate in the process. I ask each member of the Chamber to reinforce that request for cooperation.

VOCATIONAL ORIENTATION CENTRE

Hon. C. J. HOGG (Melbourne North) — Will the Minister for Tertiary Education and Training advise the House of the current status of the Vocational Orientation Centre, which provides excellent career and information services to the unemployed and which had 43 000 clients in 1992? My advice is that the centre, with an 80 per cent budget cut, will close at the end of 1993. If that is so, why is Mr Tim Smith, the Minister’s adviser, writing to inquirers informing them that elements of the service, such as the library and some counselling services, will be maintained?

If that is the case, where will the library and those ongoing services be located?

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — Mrs Hogg raised the issue of the Vocational Orientation Centre some time ago before the final budget decision was made, and I thank her for her follow-up question.

It is a fact that substantial cuts have been made to the budget of the Vocational Orientation Centre. That was done in the context of an examination of the whole provision of counselling facilities for people preparing to go to TAFE colleges and at TAFE colleges, including facilities now available throughout the TAFE network which were not available when the centre was first established and which have been developed over a number of years.

Arrangements are being made to have certain services now delivered by the VOC delivered through other agencies. As soon as I can I will provide Mrs Hogg with an answer that sets out the details of the alternative arrangements that will be in place next year.
SOLAR-POWERED VEHICLE CHALLENGE

Hon. W. A. N. HARTIGAN (Geelong) — As honourable members know, Geelong is a centre of excellence in automotive manufacturing, engineering and design. Much work has been done on the development of solar-powered vehicles and the world solar car challenge is on at present. Will the Minister for Conservation and Natural Resources advise what role the Victorian government will play in advancing Victoria’s interest in this challenge?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — The world solar car challenge has captured international attention in previous years, and I am pleased that one of the leading cars competing this year is from a Geelong-based program with a wide range of supporters, including Ford Australia and the Victorian government. It is a high-tech entry that has a good chance of being a leading entrant — perhaps even a winner of the world solar car challenge. It will be competing against the best solar energy technology cars in the world. The challenge commences in Darwin on Sunday, 7 November, and is expected to finish in Adelaide on 16 November.

The Geelong-based Aurora team is involved with solar technology and with ensuring that a competitive team is in place to represent the ingenuity and hard work of Victorian industry.

I congratulate the Aurora team for its work. Its members are either resident or spending most of their time in Geelong. They are doing considerable after-hours work for the $500 000 project and competing against the best in the world with multimillion dollar teams from countries like Japan.

The potential benefits for Australia are enormous, particularly learning about lightweight solar technology, materials, energy efficiency and the benefits of reduced pollution. The car will go from Darwin to Adelaide without using petrol: that is something from which we can learn. We hope the car gets from Darwin to Adelaide without incident and performs well. The government has given modest support to the campaign through the Environment Protection Authority.

Hon. D. R. White — How much? $5000?

Hon. M. A. BIRRELL — Mr White could ask a question on notice and get the full details. We hope the car will match its international competitors; we know it will go a long way because of the spirit and ingenuity of its team.

NATIONAL ROAD TRANSPORT COMMISSION


Laid on table.

PUBLIC BODIES REVIEW COMMITTEE

Metropolitan Fire Brigades Board

Hon. W. A. N. HARTIGAN (Geelong) presented interim report of Public Bodies Review Committee on inquiry into Metropolitan Fire Brigades Board.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:


South Eastern Region — Report, 1992-93.

South Western Region — Report, 1992-93.

Western Region — Report, 1992-93.

Arts Centre Trust — Report, 1992-93.

Casino Control Authority — Report, 1992-93.


Crown Land (Reserves) Act 1978 — Minister’s orders of 18 October 1993 (Camberwell) and 20 October 1993 (Brighton) giving approval to granting of leases (two papers).
Hon. R. I. KNOWLES (Minister for Housing) — I move:

That this Bill be now read a second time.

The primary purpose of this small but important Bill is to raise the age for the legal sale of tobacco products in Victoria from 16 to 18 years. The Bill is part of the government's broad health enhancement strategy.

The Minister for Health recently launched the cancer and heart offensive at the Royal Women's Hospital. The cancer and heart offensive is a major initiative of this government and is designed to combat cancer and diseases of the circulatory system which are, by far, the leading causes of death in this State.

To combat cancer and heart disease, a major and increasing focus must be placed on prevention of the avoidable factors that can lead to unnecessary
In developing the amendments the government has been keen to ensure that mineral development continues to take place under a legislative framework that protects the environment and recognises the interests of private landowners and the objectives of public land policy. Within that context, the Bill neither alters the comprehensive and stringent requirements for rehabilitation and compensation in the principal Act, nor changes the exempt status of national parks, State parks, wilderness parks and reference areas. The major provisions of the Bill are as follows:

- where the holder of an exploration licence proposes to undertake bulk-sampling activities or to make roads to gain access to Crown land the holder may require the licensee to submit a statement assessing the impact of the proposed work on the environment. If a statement is deemed necessary, the Minister will provide copies of it to the Minister for Planning, the Minister for Conservation and Environment and the Minister for Natural Resources for comment, and must consider their comments and the statement before a decision is made on whether the work should proceed and, if so, whether specific conditions should apply. This provision has been inserted to ensure that an effective mechanism exists for the environmental assessment of these more intrusive activities;

- mining carried out under a licence granted under the Act will no longer be a prohibited use under any planning scheme approved under the Planning and Environment Act 1987. Mining will be subject to either a planning permit - except in those areas where a permit is not required - or an environment effects statement (EES) - that is, a mining project which has been the subject of an EES and approved will not require a planning permit; and

the Bill provides for three categories of Crown land:
exempted areas: national parks, State parks, wilderness parks and reference areas. These Crown land areas remain exempted from being subject to an exploration licence or a mining licence;

restricted Crown land: this is defined in the Bill and is linked to approved recommendations of the Land Conservation Council. The consent of the Minister having responsibility for the land will be required before a licensee may carry out work on any land in this category; and

unrestricted Crown land: this is all Crown land other than that within the exempted or restricted categories and represents some 50 per cent, or approximately 4 million hectares, of all Crown land in the State. Access to this land to carry out work under an exploration licence or a mining licence will not require the consent of the Minister having responsibility for that land, provided that Minister is consulted prior to the grant of the licence and has the opportunity to recommend conditions to be imposed on that licence.

As a corollary to the changes in the planning regime for exploration and mining, the Bill overrides any provision to the contrary in any planning scheme. It is the government’s intention to amend the State section of planning schemes to ensure consistency with the provisions of the Bill. This is in line with government policy as enunciated prior to the election.

Where a mining project is the subject of an environment effects statement it is the government’s intention that all environmental issues, including any requirements under the Flora and Fauna Guarantee Act 1988 and any works approval requirement under the Environment Protection Act 1970 will be identified as part of the EES process and not separately. Amendments to the Environment Effects Act 1978 to give effect to this are currently under consideration. Those amendments will be an important corollary to the Bill and, as the benefits of the amendments will be available to all industry sectors, will be further evidence of the government’s commitment to streamlining procedures for development approvals.

The government maintains its commitment to the Flora and Fauna Guarantee Act in this Bill. As already mentioned, where there is an EES for a mining project, flora and fauna requirements will be identified through that process. For exploration and mining activities which are not the subject of an EES the requirements of the Flora and Fauna Guarantee Act will be addressed, in relation to restricted Crown land, at the time when the consent of the relevant Minister is sought for access to that land and, in relation to unrestricted Crown land, at the pre-licence stage as far as possible. It is the government’s intention to seek an Order in Council to permit the incidental taking of protected flora by the holder of an exploration licence. This would be similar to an Order in Council made previously for the forest industry. The purpose of such an order would not be to give carte blanche to the exploration industry but rather to ensure that, provided all necessary care is taken, an explorer need not obtain a permit under the Flora and Fauna Guarantee Act to work in non-sensitive areas.

It should be noted that, with the categorising of Crown land availability for the purposes of exploration and mining, the government has decided that the Minister for Energy and Minerals must be consulted before any area of unrestricted land is placed in the restricted category.

The Bill contains a number of clauses which:

clarify the law in relation to tailings;

ensure that the Act contains sufficient powers to enable the making of comprehensive regulations relating to health and safety, as the Occupational Health and Safety Act 1985 does not apply to work done under an exploration licence or a mining licence;

make particular provision for the management of small mines and enable the employment of temporary managers in specified circumstances; and

further streamline the administrative processes in the Act.

All industry related legislation should be considered in the light of the economic benefit it can bring to the State. This Bill is no exception. The government is mindful of the contribution the mining industry has made to the economic development of Victoria and that there is significant potential for that to be increased. The Bill seeks to facilitate additional investment and employment opportunities which will flow from a revitalised exploration and mining industry in Victoria.
The cooperation between the Minister for Energy and Minerals, the Minister for Conservation and Environment, the Minister for Natural Resources and the Minister for Planning and their officers in the development of the Bill is worthy of note. The exploration and mining industry can take comfort in the knowledge that the relevant portfolios within the government are committed to working cooperatively to ensure a resurgence of exploration and mining activity in this State and to gain for the people of Victoria the economic benefits associated with that resurgence. The government acknowledges the significant input by the Victorian Chamber of Mines, the Prospectors and Miners Association of Victoria and many others involved in the industry.

The Bill makes necessary improvements to the Mineral Resources Development Act 1990 while maintaining a high level of protection for the environment and the rights of private landowners.

I commend the Bill to the House.

Debate adjourned on motion of Hon. B. T. PULLEN (Melbourne).

Debate adjourned until next day.

PHYSIOTHERAPISTS (AMENDMENT) BILL

Second reading

Hon. R. I. KNOWLES (Minister for Housing) — I move:

That this Bill be now read a second time.

One of the conditions of practice as a physiotherapist in this State is that the person concerned be registered with the Physiotherapists Registration Board of Victoria.

Registration confers upon the holder the right to use the title of physiotherapist and similar titles, and to use those appliances and methods listed in the schedule to the Physiotherapists Act 1978.

Registration under the Act operates for a calendar year and is renewable on payment of the renewal fee. However, if a physiotherapist fails to pay the renewal fee by 1 February, section 14(2) of the Act requires the board to remove his or her name from the register of physiotherapists. A person whose name has been so removed is entitled to apply within five years to have his or her name restored, and section 14(3) requires the board to re-register that person “if he is otherwise entitled to be registered”.

As a result of changes made last year to the physiotherapists regulations, the only overseas qualifications now recognised in Victoria are specified British and Hong Kong qualifications. Other overseas applicants are required to qualify under the Australian Examining Council for Overseas Physiotherapists (AECOP) procedure.

An unintended consequence is that a physiotherapist with a qualification from, say, New Zealand, who allowed his or her registration to lapse, would not be entitled to have his or her name restored to the register because he or she would no longer be “otherwise entitled to be registered” as required by the Act. Instead, the physiotherapist concerned would have to undertake the AECOP examination and apply for re-registration.

The purpose of the Bill is to resolve the obvious anomaly which now exists in the law. This will be achieved by omitting from section 14(3) of the Act the requirement that the person must be “otherwise entitled to be registered” in order to have his or her name restored to the register, and vesting in the board a capacity to refuse an application for restoration if the person is not of good character.

The proposed amendments will remove the disadvantage imposed unintentionally on some physiotherapists who graduated overseas in countries other than the United Kingdom and Hong Kong.

I commend the Bill to the House.

Debate adjourned on motion of Hon. C. J. HOGG (Melbourne North).

Debate adjourned until next day.

HEALTH (AMENDMENT) BILL

Second reading

Hon. R. I. KNOWLES (Minister for Housing) — I move:

That this Bill be now read a second time.
The purpose of the Bill is to make a few minor amendments which will improve the operation and effectiveness of the Health Act 1958.

Under section 130 of the Health Act, the person in charge of a laboratory where testing for the HIV virus is carried out is required to record information about the number of tests carried out, the number of people tested for HIV who fall into prescribed categories, the number of people newly diagnosed as being infected with HIV and the age, sex and prescribed category of each person who has been newly diagnosed as being infected.

This information is required to be provided to the Secretary of the Department of Health and Community Services to enable the department to monitor the incidence of HIV in the community and identify emerging trends in the transmission of the virus. I wish to stress that only non-identifying information is required to be provided to the secretary under section 130.

To facilitate epidemiological surveillance of the HIV virus on a national basis, the department wishes to provide coded non-identifying information obtained under section 130 to the National Centre for HIV Epidemiology and Clinical Research. However, doubt has been expressed as to whether there is sufficient power in the Health Act to enable the secretary to provide information obtained under section 130 to any other organisation.

The Bill will make it clear that coded non-identifying information can be provided to the National Centre for HIV Epidemiology and Clinical Research and other prescribed organisations engaged in research, thus facilitating the carrying out of research in this vital area.

Legislation to improve and simplify the provisions of the Act dealing with licences for radiation apparatus and radioactive substances was passed earlier this year. The Bill will correct an inadvertent omission that would otherwise result in the removal of licences for unsealed radioactive sources, which was not intended. The Bill also contains four statute law revision amendments.

I commend the Bill to the House.

Debate adjourned on motion of Hon. C. J. HOGG (Melbourne North).

Debate adjourned until next day.
employment offer is not accepted, subject to any opportunity for redeployment, the staff member's public sector employment will be terminated; but staff will get access to whatever award provisions apply, including superannuation benefits. It is also intended to amend relevant superannuation legislation to provide that in relation to superannuation, there shall be no cash payment of the employer's contribution to a staff member who has refused an employment offer, but entitlements will become a deferred benefit awarded on reaching retirement age.

The government is also committed to devolving real management responsibility down to department heads within a clear accountability framework of strategic direction, policy planning and resource allocation.

To support this approach the Bill will give department heads greater flexibility in personnel management. The Bill provides for two new classes of employees, casual and fixed term, to ensure department heads have the capacity to employ a range of people to meet short-term and specific staffing needs. The Bill also provides for the employment of Ministerial officers and Parliamentary advisers.

The government is determined to continue to eliminate public sector overspending. The Bill supports this imperative by ensuring that temporary, casual and fixed-term employees do not have access to redundancy payouts. Such employees are engaged for limited periods to undertake work specified in their employment agreements and they will not be entitled to compensation on the cessation of those agreements.

The government is conscious of the need to ensure that the principles of merit and equity are maintained. The Bill supports this by making it very clear that all staff should be selected on the basis of skills, knowledge, aptitude and experience. The Bill has also simplified the appeals process by ensuring that all staff have an accessible, easy-to-administer appeal process for personal grievances. Furthermore, to ensure public sector employees are treated similarly to private sector employees, staff other than executive officers will now have access to the Employee Relations Commission for matters relating to unfair dismissal. By further refining the Public Sector Management Act, the Bill is intended to balance the need to adopt proper businesslike management practices with clear protection for merit and equity. The Bill will further the government's aim of creating a public sector that is productive, efficient and responsive.

I wish to make a statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying that section by the Bill. Clause 37 provides that it is the intention of that clause to alter or vary section 85 of the Constitution Act 1975. This provision precludes the Supreme Court from entertaining actions for compensation where the Public Sector Management Act as amended by this Bill provides that no compensation is payable.

The reasons for limiting the jurisdiction of the Supreme Court are these: the main purpose of the Bill is to improve the administration of the Public Sector Management Act 1992; the Bill provides in part for the termination of employment in the public sector in certain circumstances; and it would reduce the effectiveness of the Act if compensation were payable or action could be entertained in relation to these matters.

I commend the Bill to the House.

Debate adjourned on motion of Hon. D. R. WHITE (Doutta Galla).

Debate adjourned until next day.

RACING (FURTHER AMENDMENT) BILL

Second reading

Hon. W. R. BAXTER (Minister for Roads and Ports) — I move:

That this Bill be now read a second time.

The purpose of the Bill is to make a number of small but nevertheless significant provisions in respect of harness racing, Sunday racing and bookmakers, together with some minor machinery changes about payments to members of the board of the Totalizator Agency Board (TAB).

A new Harness Racing Board under the chairmanship of Mr Ian McEwen took office on 12 July 1993 and members have immediately applied themselves diligently to their tasks. The Chairman of the Harness Racing Board has requested that there should be specific provision for one of the members of the board to be appointed as deputy chairperson. The government believes that is a sensible measure and the Bill provides that the
Minister may appoint a member other than the chairperson to be deputy chairperson of the board. The deputy chairperson will act as chair in the absence of the chairperson.

The new board also requested that the government examine the question of appeals in harness racing. After reviewing the matter and obtaining input from the new board, members of the harness racing industry and members of the Racing Appeals Tribunal, the Bill provides for a number of changes.

At present all appeals to the Harness Racing Board must be heard by a quorum of the board. The Bill proposes that the Harness Racing Board should have the power to delegate one or more members of the board to hear an appeal. In hearing an appeal one or more members of the board shall sit with one assessor appointed from a panel of assessors appointed by the Minister after consultation with the Harness Racing Board. Assessors will be able to be drawn from a wide variety of backgrounds. However, a member or members of the board alone shall make all decisions and orders; any decision or order shall be taken to be a decision or order of the Harness Racing Board.

In respect of harness racing only, the jurisdiction of the Racing Appeals Tribunal is to be expanded to provide:

- all drug-related matters must be heard directly by the Racing Appeals Tribunal — a drug is defined as being a drug within the rules of harness racing;
- penalties involving suspension, disqualification or warning off for periods of three months or more will go directly to the Racing Appeals Tribunal; and
- fines of $1000 or more will go directly to the Racing Appeals Tribunal.

With those measures the government believes the board will be freed from hearing a number of appeals and may devote its energies to the business of better managing the industry. Additionally, the interests of industry participants will be fully protected through the independent Racing Appeals Tribunal.

At present the Racing Act restricts the number of Sundays on which race meetings may be conducted to five, plus any public holiday that might fall on a Sunday. The Bill proposes that in line with the recent amendments to the Sunday Entertainment Act the restrictions on the number of Sundays on which race meetings can be conducted should be removed. This means that race meetings will be able to be held on any Sunday approved by the Minister on the recommendation of the relevant industry controlling body.

The government considers bookmakers an essential part of the racing industry and the Bill proposes two amendments in respect of the bookmaking profession. It is proposed to enable bookmakers to offer to pay their clients either the odds given, as is normally the case, or the totalizator odds where the totalizator odds for the winner are higher than the odds given by the bookmakers. Whether individual bookmakers wish to offer this service will be a matter for each individual, but those that do will be required to observe conditions that may be imposed by the Minister after consultation with the relevant controlling body and the Victorian Bookmakers Association to ensure that the interests of all concerned are protected.

The Bill also provides for a minor machinery matter — that is, the abolition of the requirement for bookmakers to first obtain club licences before presenting themselves to be considered for formal registration by the Bookmakers and Bookmakers Clerks Registration Committee. The government considers the committee is the proper authority to determine the matter of registration for bookmakers.

In the autumn sessional period of Parliament the structure of the board of the TAB was amended to enable the government to select the most appropriate people to serve on this important board. In selecting appropriate people it became apparent that such highly skilled people should receive an appropriate remuneration for their services. The Act provided only that members would receive such travelling and other allowances in respect of their attendances at board meetings as are from time to time prescribed. It is considered that this narrow view of payment in respect of attendance at board meetings is no longer appropriate, and the Bill provides that members of the board will be entitled to be paid remuneration by the Governor in Council, together with travelling and other allowances that may be prescribed by the regulations.

I direct to the attention of the House that the Bill provides that the remuneration payable may be made effective from 1 June 1993, which was the date on which the new board took office.
The government affirms its commitment to the development of the racing industry and stands ready to work with the industry to achieve such development.

I commend the Bill to the House.

Debate adjourned on motion of Hon. B. E. DAVIDSON (Chelsea).

Debate adjourned until next day.

LAND (FURTHER AMENDMENT) BILL

Second reading

Debate resumed from 19 October; motion of Hon. R. M. HALLAM (Minister for Regional Development).

Hon. D. R. WHITE (Doutta Galla) — During debate in another place on this Bill, which makes substantial provision to enable the government to enter into negotiations with third parties for strata titles to be issued for Crown land, the opposition raised several specific cases. One was the Kumagai-Coles Myer area in Lonsdale Street, where provision has been made for pedestrians to be able to move from one premises to another but the pedestrian promenade has not been secured as part of a strata title to the complex. Another prospective case would be the casino construction over Kings Bridge, and there are several others.

During the course of that debate it was suggested by my colleagues Mr Baker and Mr Dollis that debate should be adjourned until further discussions had been held with the Minister for Planning and the Minister for Finance to resolve specific planning issues relating to the extent to which the government should have a free hand in entering into strata titles on Crown land.

The Minister for Finance said that although the legislation gave the government considerable scope and latitude in entering into negotiations with third parties for strata titles over Crown land, which the opposition indicates is a desirable initiative, he was not persuaded by the case made by my colleagues in another place and did not agree to the adjournment of the debate.

The opposition does not oppose the thrust of the Bill, and as the specific matters raised in another place have been decided it is not my intention to pursue a division. I wish, however, to reiterate the opinion of the opposition that it would assist Parliament and the community generally to have the relevant Minister make a public statement when a specific project leads to the government issuing strata title over Crown land. Details of those transactions should be made known to the public. In other words, I argue that the government should inform the public when such strata titles are entered into following the passage of the Bill. It should publicly state the terms and conditions and explain whether the transactions are lease arrangements or sales.

Subject to those assurances, although we will formally oppose this Bill because the other place did not agree to adjourn the debate, the opposition agrees with the basic tenor and spirit of the legislation and agrees that it is desirable for the government to have this power.

The PRESIDENT — Order! I am of the opinion that the second reading of this Bill is required to be passed by an absolute majority. As there is not an absolute majority of the members of the House present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in Chamber:

The PRESIDENT — In order that I may ascertain that an absolute majority exists, I ask honourable members in favour of the question to stand in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read second time.

Third reading

Hon. R. M. HALLAM (Minister for Regional Development) — By leave, I move:

That this Bill now be read a third time.

I acknowledge the comments of Mr White and his support for the Bill in general terms, even though he has some reservations about its application in particular circumstances. I take on board his suggestions and will convey to the Minister for Finance his comments that it would be in the public interest that, as a protective mechanism, when a strata title over public land is issued the process be publicly noted.
The PRESIDENT — Order! I am of the opinion that the third reading of this Bill requires to be passed by an absolute majority. In order to ascertain that an absolute majority exists, I ask honourable members in favour of the motion to stand in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

CHATTEL SECURITIES (AMENDMENT) BILL

Second reading

Debate resumed from 29 September; motion of Hon. W. R. BAXTER (Minister for Roads and Ports).

Hon. T. C. THEOPHANOUS (Jika Jika) — The opposition supports the Bill, the underlying principle of which was supported by the former government and was endorsed at the 1991 Premiers Conference. The Bill is a natural progression of action taken by the former government and is a sensible measure. It is designed to establish a motor vehicle financial security information service for Victorians purchasing second-hand motor vehicles so that prospective purchasers can check whether vehicles are subject to financial encumbrances anywhere in Australia. Information will be provided by all State registers, including Victoria. In fact, arrangements are already in place with New South Wales, and the Bill will facilitate the extension of those arrangements to other States. It is important that the arrangements with other States are established quickly so that a national system can be put in place to allow increased consumer protection for people purchasing motor vehicles.

The Bill also provides a range of compensation agreements. The opposition urges the government to enter into those compensation agreements as soon as possible so that consumers can be confident when making inquiries that no financial encumbrances are on vehicles they purchase.

The Bill allows additional information to be provided across State boundaries, including information on stolen cars. That is a positive step that should assist consumers as well as the motor vehicle industry. It may also be of some flow-on assistance to the police. The opposition supports the measures in the Bill. They are measures initiated by the former government; they are supported by all States and have broad community support.

The Bill will add to protection available for car purchasers, which the former government supported through the Motor Car Traders Guarantee Fund and through legislative requirements that second-hand cars sold at car yards be subject to guarantees backed up by the Motor Car Traders Guarantee Fund. That fund has been successful both for industry sales and in ensuring that consumers are adequately protected. The Bill adds to that bank of protection.

The opposition is concerned about the downgrading of the former Ministry of Consumer Affairs and the much lower profile of the Office of Fair Trading. That much lower profile has not helped to build consumer confidence in a range of consumer protection areas such as the purchase and transfer of motor vehicles. The former Ministry of Consumer Affairs emphasised the protection of consumers, but that function has been downgraded. The opposition is concerned that people in the industry are saying the Office of Fair Trading is more like an office of unfair trading. Although Victoria was once at the forefront of consumer affairs, its record in that area has slipped significantly — and that will be demonstrated in the results of the annual review of consumer affairs.

Although the opposition cannot applaud the reduced involvement of the government in consumer affairs, it supports the Bill, which is designed to assist consumers. The opposition believes the government should reconsider the downgrading of its role in consumer affairs. It should enhance the role of the Office of Fair Trading in protecting consumers involved in motor vehicle trading and other areas that were traditionally the responsibility of the former Ministry of Consumer Affairs.

I restate the opposition's support for the Bill and wish it a speedy passage.

Hon. G. B. ASHMAN (Boronia) — The Bill significantly improves the quality of data available to consumers. The creation of a national register of encumbrances will ensure uniformity across Australia. For the first time consumers from interstate will be able to check the validity of all motor vehicle titles.
As honourable members will be aware, over the years there has been a considerable trade in stolen and encumbered vehicles among the States. At some stage all honourable members would have dealt with constituents who have faced difficulties in trying to negotiate the titles of encumbered vehicles they have purchased. For some years Victorian purchasers have been able to check the encumbrances on vehicles registered in Victoria. This Bill extends that benefit to Victorian purchasers of vehicles registered interstate. An agreement already in place between Victoria and New South Wales will soon be expanded to include other States.

The Bill removes an impediment to the free flow of information between States. Although it is estimated that the cost to Victorian consumers of purchasing encumbered vehicles is in the order of $20 million a year, in truth the cost is probably much higher. A significant number of transactions involving backyard operators have left consumers with encumbered vehicles and no means of recourse. Most have to let the vehicles go and take the losses. The Bill establishes a system that provides security not only for people who purchase vehicles from licensed motor car traders but also for those dealing with private sellers. That should go a long way towards eliminating unregistered backyard car dealers.

The system uses vehicle identification numbers, which are placed on vehicles at the time of manufacture, rather than vehicle registration numbers. A vehicle identification number stays on a vehicle for life, unlike the registration number, which may change many times during the life of a vehicle. It can also be engraved on panels and mechanical parts, so providing additional security by facilitating the identification of components if a vehicle is stolen and stripped for parts.

The system will afford improved consumer protection. It has the strong support of the motor vehicle and finance industries, consumer groups and the Office of Fair Trading — and that is not surprising given that the office is probably the first port of call for consumers caught with encumbered vehicles.

I cannot allow Mr Theophanous’s comments on the Office of Fair Trading to go unchallenged. The government believes the establishment and title of the Office of Fair Trading are appropriate and proper given that it believes fair trading applies to traders as well as consumers. The name “fair trading” implies that both consumers and retailers should be responsible when conducting business.

In the past it has not been unusual for consumers seeking to trade vehicles to tell dealers that the vehicles were not encumbered and that the sellers had fair titles, only for the dealers to discover that the vehicles were encumbered and, in some instances, had been stolen in other States.

The establishment of the Office of Fair Trading has changed the culture. It has created a business environment in which consumers and retailers believe that fair trading is the key to proper dealing. I commend the Bill to the House.

Hon. B. W. BISHOP (North Western) — I commend the opposition and Mr Theophanous for their support of the Bill. All Bills should be debated and examined on the basis of why they have been introduced and what they attempt to do. The Bill provides Victorians with the opportunity of having financial security information available if they intend to purchase a second-hand motor vehicle, whether the information is in Victoria or in another State. The Bill was introduced because the government responded to approaches from the motor vehicle industry, the finance industry and the public.

Under current Victorian law if a security interest is not registered in the home State the contract is null and void, even though the vehicle is sold to a purchaser in good faith, so ultimately the community bears the cost. As Mr Ashman said, the cost to the community is at least $20 million a year, mainly because existing legislation does not allow the motor vehicle industry, the finance industry or consumers to access relevant information. Information provided to the Australian Finance Conference is that the total cost to the community of stolen vehicles throughout Australia is about $19 billion annually.

Mr Theophanous pointed out that in November 1991 the State and Territory Premiers and Chief Ministers agreed to establish a register as soon as possible because they believed it would have a number of benefits. For example, a person wishing to purchase a second-hand car could quickly and easily check its financial status whether in Victoria or wherever the vehicle originated from.

The flow-on from this is the much needed national stolen vehicle register, which will be invaluable and which will provide significant savings in both time
and dollars. That will not occur without substantial work. A link has been established between New South Wales and Victoria to allow prospective customers to check the financial status of vehicles they wish to purchase. The basis for a national register is already in place because the New South Wales register contains information on vehicles listed in the Australian Capital Territory and the Northern Territory. Victorian legislation does not allow the New South Wales register to be used by customers seeking basic advice through the Victorian vehicles securities register.

As usual Parliament has some options. It can do nothing, but with an ongoing annual cost to Victoria of $20 million, considerable inconvenience to consumers and an additional cost to Australia of stolen cars estimated to be $19 billion annually, that is not an option. The best option is the one before us, which sweeps away a halfway house option that would produce extra costs in the registration of interests and cause considerable inconvenience to all concerned. Under this option people requiring information will have wide access to the entries of all participating bodies. Security interests would be required to register only once.

The legislation is straightforward and practical. It is a move towards the establishment of a national information system that will enable Victorian vehicle securities to collect and dispense interstate information to consumers, financial institutions or the vehicle industry. It will allow VIC ROADS to negotiate responsibility for compensation arrangements in the event of errors due to transmission failures or system breakdowns. It will allow other security interests to be registered in Victoria and will record details of stolen vehicles from other States.

It should also be noted that the vehicle identification number will now be used to enable a flow of vehicle information. All States other than Victoria and South Australia already use the vehicle identification number as the major identifier of cars, with no apparent difficulty. In fact it is a much more secure method than using the registration number because of the ease with which numberplates can be transposed.

Although some cost will be incurred the net benefit to Victoria and therefore the community will be substantial. The legislation has strong support from the finance and motor trade industries and the community as a commonsense method of approaching the issue.

It is a significant move towards the establishment of a national approach not only to providing information on the financial status of vehicles but to establishing a register of stolen vehicles that will go a long way towards eradicating costs and inconvenience to consumers as well as providing a quick check on other necessary information.

In conclusion, the Bill is a move in the right direction towards a more secure motor vehicle industry, particularly with financial security, because in the end we all pay.

Motion agreed to.

Read second time.

Third reading

Hon. W. R. BAXTER (Minister for Roads and Ports) — By leave, I move:

That this Bill be now read a third time.

In so doing I thank Mr Theophanous, Mr Ashman and Mr Bishop for their contributions and I acknowledge that the proposal had its genesis in the life of the previous government. It has taken some time to bring it to fruition because of negotiations with other States. I share the view expressed by each of the members that it is a worthwhile initiative.

I note the remarks made by Mr Theophanous about the Office of Fair Trading, but I believe they were well dealt with by Mr Ashman.

Motion agreed to.

Read third time.

PROBATE DUTY (AMENDMENT) BILL

Second reading

Debate resumed from 19 October; motion of Hon. R. M. HALLAM (Minister for Regional Development).

Hon. D. R. WHITE (Doutta Galla) — All honourable members will be aware that as recently as 1982, when the Australian Labor Party was previously in opposition, it campaigned on the platform of maintenance and restoration of full probate taxes. On assuming government it did not persist with the introduction of that mandate because it had become clear that in a number of
jurisdictions, particularly those originating in Western Australia, there was no support for probate legislation.

It was also made clear by the Commonwealth government that it would be impossible to administer probate legislation if there was not the support of all States, so that taxation measure ceased to be available.

Since 1984 probate has not been assessed in Victoria, so the revenue stream to the government from estates that were probated prior to 1984 is approximately $100,000 a year. The administrative cost is approximately $30,000 to $40,000 a year, and the total revenue forgone as a consequence of the legislation will be slightly in excess of $1.2 million or $1.3 million.

Hon. R. M. Hallam — It may not be anything.

Hon. D. R. White — I appreciate that. Therefore, after administrative costs are taken into account it may not be a revenue source for the State. For those reasons the legislation, which in effect puts an end to probate as a revenue source, means the Commonwealth government will not longer be able to seek probate from the States that were subject to probate — that is, prior to 1984. This sensible measure naturally complements the changes that came about in 1983 and 1984. For those reasons the opposition does not oppose the measure.

Motion agreed to.

Passed remaining stages.

SUNDAY ENTERTAINMENT (REPEAL) BILL

Second reading

Debate resumed from 6 October; motion of Hon. R. M. Hallam (Minister for Regional Development).

Hon. D. R. WHITE (Doutta Galla) — My understanding is that as a consequence of the introduction of this measure it will not be necessary for those who wish to provide entertainment on Sundays to seek Ministerial approval for the right to charge people who enter the premises to be entertained — for example, at a rock concert or a sporting facility.

Public opinion about entertainment on Sundays has changed significantly and it should no longer be necessary for people who wish to charge to provide entertainment on Sunday to seek Ministerial approval. The Local Government Act, the Racing Act and the Lotteries and Gaming Act provide that people who wish to host entertainment on Sundays have to seek approval from the relevant authorities.

Once an event has been agreed to it should not be necessary for the hosts to seek Ministerial approval to charge for admittance. In recognition of current public opinion, the opposition does not oppose the Bill.

Motion agreed to.

Read second time.

Passed remaining stages.

PETROLEUM (SUBMERGED LANDS) (AMENDMENT) BILL

Second reading

Debate resumed from 6 October; motion of Hon. R. M. Hallam (Minister for Regional Development).

Hon. B. T. Pullen (Melbourne) — The aim of this small but important Bill is to bring legislation in respect of exploration into line with Commonwealth legislation and legislation in other States. States have a territorial limit of 3 miles from the shore; the area beyond that is under Commonwealth jurisdiction.

People are concerned about exploration on either side of the 3-mile limit. It is inefficient and time consuming to have to deal with the rules and regulations of different jurisdictions, but because the States have mirrored the Commonwealth legislation it has been possible to bring about some degree of certainty. The Bill provides most of the necessary changes, but as was outlined in the second-reading speech, there is a need to examine other legislation to pick up the changes that are not dealt with in the Commonwealth legislation. No doubt they will appear in appropriate legislation in due course.

Following consideration of the second-reading speech and discussions with the honourable member for Pascoe Vale in another place, who had the advantage of a briefing with the Minister, I understand that the changes will require exploration companies to replace the posting of securities
against misadventure such as oil spills. Given the horrendous impact and the high cost of oil spills, it was thought that the securities that were posted were not sufficient to deal with the types of accidents that might arise; therefore, such companies will be required to take out appropriate levels of insurance.

That measure will not provide the full protection that would be necessary because it does not follow that everything can be put right after an oil spill, but it provides for some of the financial backing. In that sense the community is more protected than it would be if the finances required for the clean-up action were not readily available. This is a sensible measure and the opposition supports it.

The Bill also provides an additional discretion to the Minister responsible for administering the Act to allow up to five years before there is public disclosure of information obtained by an exploration company or explorer. The provision applies particularly to seismic surveys and work where a fair amount of effort has been undertaken. A considerable amount of technical information may be amassed by applying grids all over the ocean floor. These days many sophisticated operations are undertaken and the information obtained may have significant value. The Bill gives exploration companies that have put some effort into gaining information more time to use it commercially or to share it with trading partners. The five-year discretion will give them a greater opportunity of using that information.

The reason for the provision is that the additional time to gain information will encourage more people to put in the effort to explore certain areas. Eventually our society will have a better knowledge of the potential wealth of its resources. It will encourage people to undertake exploration with the possibility that the information they gain will lead to a successful oil find and make any operation commercially viable. The opposition does not quarrel with that provision because it seems to be a sensible measure. However, it should be monitored to ensure that there is no abuse.

Hon. Bill Forwood — What do you mean by “abuse”?

Hon. B. T. PULLEN — If the provision were used as a device to withhold information that should be in the public domain, I am taking it on face value that the measure provides explorers with the encouragement to obtain information and provide an opportunity for them to get some return for the work done. Eventually it will be in the public interest for all to know what is happening; because it is a sensitive area there should be some monitoring of how it operates. Five years does not seem to be an unreasonable period before such development commences.

I understand that most States have moved to amend legislation to reflect the amendments made to the Commonwealth Act. The opposition commends the government on taking a similar course and supports the Bill.

Hon. BILL FORWOOD (Templestowe) — I find it amusing that periodically my views are identical with those of Mr Pullen, given some of the graffiti around Fitzroy that I often read on my way home.

I assure Mr Pullen that the intention of the Bill is to provide the opportunity for people to get some commercial benefit from exploration work. Its intention is not to hide the information in any way. Honourable members would understand the established procedure for people who wish to undertake exploration. They would know that when the work is completed it becomes public knowledge and the information can then be used and built on by other people.

I refer the House to an enterprising entrepreneur in Queensland who decided he would make a fortune by studying the original logs of water survey drilling work undertaken in the early 1900s. Instead of looking for water this gentleman sought other information from the logs. In the bowels of a Queensland library he looked through the public record and gathered information that had been used for other purposes. He then established a mining company, commenced operations and made himself a lot of money. I applaud him for his initiative. I suggest the Bill represents a sensible way of encouraging further exploration in the State.

The government will introduce other Bills that will create further opportunities for Victorians. By passing legislation complementary to the Commonwealth government the House will not only subscribe to the sensible procedures that the State will follow but will also ensure that it promotes exploration onshore and offshore.

I am delighted that the opposition supports the proposed legislation. Although the Bill is not of huge import, it is significant. I agree with the Commonwealth government’s decision to abolish
the old system of bonds, which were insignificant in the overall scheme of things, especially when one considers the damage created by large-scale environmental accidents such as those involving the Exxon Valdez in Alaska and the Amoco Cadiz in Europe some years ago. We must create a position that places the responsibility onto companies so that if problems occur they will have a legal duty to look after their own affairs. Insurance companies will be responsible for any damage that has to be cleaned up at the end of the day.

I understand that departmental officers spent some time allaying the concerns of the shadow Minster for Energy and Minerals, the honourable member for Pascoe Vale in the other place. When I first read the Bill I was also concerned about whether exploration would be allowed on adjoining blocks. These days it is easy to arrange for aerial surveillance to ascertain what is available on blocks next door as well as undertaking other research work covered by the Bill.

It is important that people who risk their money by undertaking exploration work be protected. The Bill will ensure that entrepreneurs who are prepared to risk their money, time and energy in looking for commodities are rewarded. Honourable members agree that Australia should aim to be self-sufficient in oil and gas. If there is to be exploration offshore, Australia must provide maximum encouragement for entrepreneurs and protect them as they undertake that work. I am delighted that the opposition supports the Bill, as I do.

Motion agreed to.

Read second time.

Third reading

Hon. R. M. HALLAM (Minister for Regional Development) — By leave, I move:

That this Bill be now read a third time.

In so doing, I thank Mr Pullen and Mr Forwood for their contributions to the debate. I welcome the support of the opposition for what I believe is an important legislative commitment. I wish the Bill a speedy passage.

Motion agreed to.

Read third time.

Hon. B. W. MIER (Waverley) — I raise for the attention of the Minister responsible for WorkCover a matter raised by a constituent, Bob Jones, of 702 Highbury Road, Glen Waverley, relating to his membership of the WorkCover scheme.

Mr Jones is a self-employed small businessman who took up an offer advertised on television for people not covered by WorkCover. They were told that if they took out WorkCover insurance an amnesty would apply to all previous premiums and fines.

Mr Jones conducts a small business as an earthmoving contractor. The television broadcast in July this year advised viewers of an amnesty for all those people who had not taken out WorkCover insurance. Because Mr Jones had had private insurance, he had not previously been covered by WorkCover. The amnesty offer implied that he would be exempt from previous premiums and penalties, which is why he contacted WorkCover to take up the offer and receive the appropriate documentation.

He has now received an account from NZI Insurance for $239. The account was headed “Amnesty Penalty Exemptions” and referred to 1992-93 premiums, which the television advertisement implied he would be exempt from, especially as he had previously taken out private insurance. It appears that is a clear case of misleading advertising. I ask the Minister to take the appropriate action to have all private premium charges removed and to treat Mr Jones as a new member of WorkCover.

WorkCare Rehabilitation Services

Hon. T. C. THEOPHANOUS (Jika Jika) — I direct to the attention of the Minister for Local Government a follow-up to the question I asked him this morning about Mr Geoff Vincent and his association with the sale of WorkCare Rehabilitation Services. It has come to my attention that Mr Vincent is listed in the WorkCover telephone directory as the chief executive officer of WRS, which I take to be WorkCare Rehabilitation Services. Someone from my office made inquiries of a newly established...
company, Work Recovery Pty Ltd, and discovered that the gentleman is also the chief executive of that company.

I advise the Minister of that additional information and raise some matters relating to the sale of WorkCare Rehabilitation Services. It has come to my attention that the majority of the staff of WorkCare Rehabilitation Services have refused to join the new company because they do not believe the new company is professionally orientated towards rehabilitation. The company has imported a machine called an ergo work synthesiser, which is the sole basis of its rehabilitation focus. A major shareholder in the company is Work Recovery Inc., Arizona.

The machine has been used in the United States of America. There appear to be significant problems with the machine, which is referred to in the industry as the rack because it does nothing about getting people back to work, being meant only to measure various body movements. The existing staff members of WorkCare Rehabilitation Services have given it a vote of no confidence because they are not prepared to work with it. I also understand the machine has not received approval from the Commonwealth health authorities.

**Hon. R. M. Hallam** — What is the question?

**Hon. T. C. THEOPHANOUS** — I ask the Minister whether the machine has received approval from the Commonwealth health authorities. If not, how is it possible that the company has been appointed to run the rehabilitation service? Will the Minister confirm that the majority of the staff members of the old WorkCare Rehabilitation Services have not been prepared to transfer to the new company? Will he also follow up — —

**Hon. R. M. Hallam** — Come on! How many questions do you have?

**Hon. T. C. THEOPHANOUS** — They are all related to the same matter.

**Hon. R. M. Hallam** — No, they are not.

**Hon. T. C. THEOPHANOUS** — Mr Geoff Vincent obviously has a conflict of interest.

**Barker's Creek Primary School**

**Hon. C. J. HOGG** (Melbourne North) — I direct to the attention of the Minister for Tertiary Education and Training, who is the representative in this place of the Minister for Education, a small school, Barker's Creek Primary School, in the Loddon region. The school was in the Castlemaine North quality provision cluster of Barker's Creek, Harcourt, Harcourt North and Castlemaine North. The determination concerning the cluster was that Barker's Creek Primary School should close and that Harcourt Primary School and Harcourt North Primary School should merge on a site to be determined — which means that either a new school will be built or portable or temporary arrangements entered into.

People connected with the school have contacted me. They are distressed and angry about the quality provision process as it has affected their school, which has resulted in its being identified for closure. The parents claim it is a beautiful rural school, which has a proud tradition going back 135 years. It could cope with the overflow from the crowded Castlemaine schools as well as from the Harcourt schools. The parents maintain the school has been closed based on a prior decision, one that did not take into account the arguments the school put not only about its continued existence but also about the ways in which it could be pivotal to education in the area.

The parents maintain that a bad educational and economic decision has been made. As the school never countenanced closure as an option, I ask the Minister or his Parliamentary secretary, Mr Elder, the honourable member for Ripon in the other place, to meet a deputation from the school and to listen to their concerns about its closure and their desire that the school at least remain a public facility.

**Preston South and Gowerville primary schools**

**Hon. PAT POWER** (Jika Jika) — I ask the Minister for Tertiary Education and Training to direct to the attention of the Minister for Education in another place a matter of urgency affecting two schools in my electorate.

Representatives of the two schools have contacted me today, quite distressed. The schools were in the Preston quality provision task force. It was inevitable that a merger would be a serious recommendation of that task force. The question of the merger was addressed substantially by members of the task force and it was the reason for seeking that the Minister for Education meet with a deputation because the people involved in the two schools, Preston South and Gowerville, were
concerned that substantial local input should have been accepted in the determination of whether the merged school would be at Gowerville or at Preston.

With the assistance of the honourable member for Northcote, a meeting was arranged with the Minister for Education. He gave the principal of Gowerville Primary school his personal assurance that he would meet with her again before a final decision was made on the location of the merged school. Part of the reason for the Minister agreeing to the meeting was that he recognised that Preston South was inferior to Gowerville in respect of green space facility.

The chairperson of the Preston quality provision task force has received correspondence from the Minister in which he advises that the site for the merged school is Preston South Primary School. As I said, the Minister had acknowledged at a meeting that in respect of green space the Preston South Primary School site was inferior to the Gowerville site.

People associated with the two schools consider the correspondence to which I have referred as breaching the Minister's undertaking that he would have further negotiations with them before he made the announcement he made.

I seek the assistance of the Minister for Tertiary Education and Training in asking the Minister for Education if it is possible for the decision to be put on hold so that the Minister can conduct the discussions that he gave an undertaking to conduct when he met with representatives of the two schools on a previous occasion.

I stress that this is not a tactic on the part of the schools to put the question of the merger back on the table. I emphasise it is simply a request that I make urgent representations for local input to be acknowledged, in accordance with the Minister's previous undertaking.

**Pensioner concessions and rebates**

Hon. D. A. NARDELIA (Melbourne North) — I raise a matter for the attention of the Minister for Aged Care. Last Thursday night in Sunbury at a public meeting about water rate increases in the Macedon Ranges area I was asked about concessions given to people on pensions. The maximum amount that an aged pensioner can claim is $135 a year, which consists of $67.50 for water and sewerage rates and $67.50 for house rates. The amount has not been increased for some years.

People at the public meeting were concerned that the amount had not increased over a long time although rates and charges had increased. They are not sure whether any changes will be made to the level of the concessions and have asked me to ask the Minister whether the government is considering the concessions and rebates available for pensioners and, if so, what increase in the amount the government is considering introducing in the future. I will report back to them if that is the case.

**Responses**

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — Mrs Hogg raised with me an issue for the attention of the Minister for Education. She referred to the Barker's Creek Primary School, which is part of the Castlemaine North quality provision task force. Mrs Hogg said that the people associated with the school are angry about the process that was followed in their being named for closure. They seek a meeting or a deputation with the Minister for Education or the Parliamentary secretary, if the Minister is not available.

I have noted what Mrs Hogg said about the school. I will pass the request on to the Minister and ask whether he is prepared to meet with such a deputation or, if he is not able to do so, whether the Parliamentary secretary will meet with such a deputation.

Mr Power also raised a matter about a quality provision task force. He referred to Preston South Primary School and Gowerville Primary School which were in the Preston quality provision task force area. He stressed that representatives of the two schools are not seeking to reopen the question of merger but that they believe the Minister gave an undertaking to consult with local people and hear local views on the matter. Mr Power asked that the merger decision be put on hold, as it were, for the time being so that an opportunity can be taken for discussions to be held on the matter between the Minister and representatives of the two schools.

I am not able to comment on the suggestion that any undertaking was given. I shall certainly pass on the request and ask the Minister for Education to give consideration to it and come back to Mr Power about it.
Hon. R. M. HALLAM (Minister for Local Government) — Mr Mier raised with me an issue about WorkCover, particularly as it relates to an earthmoving contractor whose name is Bob Jones and who took advantage of the amnesty. He now complains about the level of premium determined in his case. The first commitment I give is that I will investigate the particular circumstances to which Mr Mier alluded.

I make a couple of general comments. The first is that if the earthmoving contractor had been employing labour — —

Hon. B. W. Mier — No.

Hon. R. M. HALLAM — If he is not employing labour he does not really have to be involved in workers compensation. I think we are at cross-purposes.

A significant opportunity was provided for employers who had not registered to do so without penalty. At no time were they told that they would not be paying premiums. The amnesty provided that no back penalties or contributions were required to be paid but not that there would be no future premium contributions.

I remind Mr Mier that under the previous legislation the responsible Minister had no authority to alter the computed premiums. It was as a result of legislation passed in this House that I had the opportunity as the Minister responsible for WorkCover to administer the amnesty, which was short term no longer applies.

I am happy to consider the particular case Mr Mier cited but, as I said, I suspect we are at cross-purposes.

Mr Theophanous raised again the employment of Geoff Vincent by WorkCare Rehabilitation Services, the same issue that he raised with me earlier this afternoon during question time.

Mr Theophanous raised again the employment of Geoff Vincent by WorkCare Rehabilitation Services, the same issue that he raised with me earlier this afternoon during question time.

I am intrigued as to how Mr Theophanous can read an inference of wrongdoing and some conflict of interest into the matter. I am advised that Geoff Vincent was employed as the manager of WorkCare Rehabilitation Services while it was owned by the Victorian WorkCover Authority. I see nothing whatever improper in that same administrator retaining the position under the new ownership.

I am saddened that Mr Theophanous should try to impute some form of wrongdoing and imply that the manager was somehow contracted to be part of the sale process.

As I am advised, the gentleman in question was employed as a professional manager, and I repeat that I see nothing improper in his retaining the position following the change in ownership.

Hon. T. C. Theophanous — He chose the people to buy it!

Hon. R. M. HALLAM — I do not think that is true. In fact, that is an unfortunate construction of the facts and it impugns the person involved. I am informed that Geoff Vincent is a very professional officer who has retained the position on his merits, and that is as it should be. I am saddened that some inference of wrongdoing has been read into the circumstances.

Hon. R. I. KNOWLES (Minister for Housing) — Mr Nardella directed to my attention a concern raised with him at a meeting last Thursday at Sunbury that the rebates on municipal rates and water and sewerage rates had not been increased for some time. That is correct. In fact, the rebates were not increased at all under the 10 years of the previous government.

The rebates are made under a broader range of concessions directed towards eligible older and disabled people. In recent times a change has occurred in that access to those benefits is often dependent on a person having a health benefits card, and the number of people eligible for those cards has recently been increased with the Commonwealth government providing it to part-pensioners.

That has led to a significant increase in funds required by State governments for the concessions. The Commonwealth government has made some compensation available to the State government for the additional expenditure, but I understand that it is not sufficient to cover the total cost of the eligibility of part-pensioners.

The government constantly reviews concessions to ensure that they are equitably distributed and are targeted to those most in need. It is a difficult issue; young families struggling to purchase their own homes and meet mortgage repayments will not receive concessions if the breadwinners lose their jobs, yet one could argue that any additional
resources should be targeted towards trying to provide relief or assistance to such families rather than increasing the level of assistance to people who do not have mortgage repayments.

I have taken on board the concern Mr Nardella has conveyed. I cannot hold out the prospect that there will be a change, but the government has worked hard to ensure that the existing concessions provided to older people and to those with disabilities are maintained despite the difficult financial climate in which the government finds itself.

Motion agreed to.

House adjourned 4.54 p.m.