

Wednesday, 4 November 1992

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

**MILDURA COLLEGE LAND
(RANFURLY) BILL**

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

**BORROWING AND INVESTMENT
POWERS (MELBOURNE WATER
CORPORATION) BILL**

Introduction and first reading

Received from Assembly.

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

CONSTITUTION (MINISTERS) BILL

Introduction and first reading

Received from Assembly.

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

**PARLIAMENTARY COMMITTEES
(AMENDMENT) BILL**

Introduction and first reading

Received from Assembly.

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

**PARLIAMENTARY SALARIES AND
SUPERANNUATION (FURTHER
AMENDMENT) BILL**

Introduction and first reading

Received from Assembly.

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

**EVIDENCE (UNSWORN EVIDENCE)
BILL**

Introduction and first reading

Hon. HADDON STOREY (Minister for Tertiary Education and Training), by leave, introduced a Bill to amend the Evidence Act 1958 and the Crimes Act 1958 with respect to unsworn evidence and unsworn statements.

Read first time.

PAPERS

Laid on table by Clerk:

Ethnic, Municipal and Community Affairs Ministry — Report, 1991-92.

Geelong Regional Commission — Report, 1991-92.

Historic Buildings Council — Report, 1991-92.

Melbourne and Metropolitan Board of Works — Report, 1991-92.

Notice of Approval of Amendment L92 to the Flinders Planning Scheme under the Planning and Environment Act 1987.

Prison Industries Commission — Report, 1991-92.

Sport and Recreation Department — Report, 1991-92.

Stamps Act 1958 — Minister's report of 16 October 1992 of approved exemptions on Corporate Reconstructions.

A Statutory Rule under the Vegetation and Vine Diseases Act 1958 — No. 278.

STATE DEFICIT LEVY

Hon. C. J. HOGG (Melbourne North) — I move:

That this House condemns the government for its inequitable State deficit levy and for the unfair burden placed on local government in its collection.

The State deficit levy is a bad tax. It will be levied on rateable properties, which means that every property — no matter whether it be a small house in Broadmeadows, Ouyen or Moe, or the largest and

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best appointed house in Brighton, Camberwell or Toorak — will attract a levy of the same amount, \$100.

The State deficit levy will fall on every home owner and will take no account of the individual's capacity to pay. It will fall on the family that has perhaps just managed to acquire a house or the family struggling with the problems of unemployment and perhaps receiving social security benefits. It will fall on families who are just making ends meet; who may have teenage children and all the education expenses that that entails. The levy will also fall on superannuants, many of whom are experiencing income losses because of the fall in interest rates. Significantly, the levy will also fall on pensioners.

This \$100 tax will hit everyone who receives a rate notice. It is a flat tax and it will certainly hit hardest the people experiencing severe economic hardship in this climate of recession.

Many people will say that \$100 is not a large amount and, indeed, for the well-to-do it might approximate the amounts they risked on the Melbourne Cup yesterday. It may even be a smaller amount than the amounts they risked yesterday. But for people struggling to pay their bills it will be a real blow; it will be a bill that they did not expect to have to pay.

Although we may not have liked the idea, because the possibility had been raised before the election, we all expected increases in gas, water and electricity charges. However, this tax came out of the blue, and I reiterate that it will hit hardest the people who are struggling and suffering the most, those with the least capacity to pay.

During the past two months many home owners have been anxiously scanning their local newspapers for some sign of their local councils' intentions concerning rate increases. Because of the drop in values for commercial and industrial properties, many people, particularly those in the metropolitan area, have been worried about the possibility of steep rate increases on residential properties. Many people are concerned that revaluations are likely to bring about hikes in residential rates.

This year local government right across the State has made a huge effort to keep residential property rates to an absolute minimum. Local government has tried to hold down rate rises while not appreciably cutting back on services. I understand between

90 and 100 councils have decided to have either no rate rises or very small rate rises.

However, the State deficit levy came out of the blue for local government as well as the community. After months of cutting back on expenditure to keep rates down local government — councillors, the officers and peak bodies — was hit by the news that that sphere of government was to be the collection agent for the tax, something that runs contrary to the principles of rating and to the notions of fairness and equity to which local government subscribes.

Local government will be a most unwilling partner in this collection; we should make no mistake about that. Indeed, one hears already statements of defiance and refusal to be part of such a collection. In the very year when local government has made huge, genuine and strenuous efforts to keep its own rates down it will be associated with a tax for which, like it or not, it will have to bear some criticism.

The money could have been raised in other ways. As various people have pointed out, a land tax would have been preferable and at least would have led to some equity. As the Victorian Council of Social Services has pointed out, a restructuring of the tax would have allowed business to pay a bit more and attract the tax rebate to which it is entitled and would have meant low-income earners paid less, and thus a progressive element could have been introduced.

This tax is a burden on people who are struggling, and it is of little consequence to the wealthy. Local government would say it has been discourteously treated. It has been customary for issues affecting local government in either a financial sense or in a workload sense to be discussed thoroughly, and for a period of consultation to take place. Many members of this House have had long associations with local government. Indeed, some have entered this place while still representatives of their local councils. In that sense nobody would claim that the view of local government should be dismissed or taken lightly.

Local government has taken on many responsibilities in the past 10 or 15 years. In many places it is the major provider of human services. It had a place at the special Premiers Conference. It had the major role in discharging the capital works program emanating from the last Federal government Budget. It has made many reforms to the way it operates and has made many advances in

its practices. It has moved towards a much greater level of accountability to its constituents.

Local government's resentment of the lack of consultation preceding this measure is palpable. Many councillors are saying that their councils will simply not be a party to the collection of the tax. Not only are they alarmed by the lack of consultation — and of course they wonder what kind of precedent this will set for a working relationship with the State government — they are alarmed that they may bear too much of the public condemnation for the new tax, and they are understandably alarmed by the workload that will inevitably be involved for their staffs.

It can be argued that the physical act of keying in a new tax on the rate notice — if that is the way the tax is to be collected — is not in itself arduous, although some councils have already sent out their rate notices, and for them this will obviously present problems.

Undoubtedly, the hours of time council staff spend explaining to ratepayers the tax and why it is on the rate notice or the notice sent out by the council will be arduous for them. Many ratepayers will experience bewilderment, considerable confusion and anger.

One wonders, of course, whether councils are to be compensated for the hours of explanation that their staffs will have to give to people who demand those explanations.

Pensioners will be quick off the mark to ask their councils whether they will receive a rebate on the tax and whether it will be permanent. The Victorian Council of Social Services has received many telephone calls from pensioners who have asked about the hardship provisions and how they can have access to them. The government must answer such questions soon if it proceeds with the tax.

Consideration must be given to the council officers who have to explain the tax. In the province Mr Nardella and I represent the task of council officers in explaining the tax will be more complex because many of our constituents do not speak English. Explanations will need to be made in a variety of languages. Because of their inadequate English those constituents are not avid readers of newspapers and will therefore be unfamiliar with the new tax. They will be bewildered by it.

Is this to be a permanent tax or will it be in place for only this year? Councils need to know the answer to that question. Pensioners and social security card holders need to know what rebate or what hardship provisions will be in place for them. If there is no possibility of seniors card holders receiving a rebate from the tax I fear that the modest savings they have made during the past 18 months will be lost.

Honourable members know it is a tradition when measures that affect local government come before Parliament for local government to enjoy the opportunity of the fullest and widest consultation period. In the past it has been considerable. Local government legislation has often lain over between sessions to allow each member of Parliament to consult with every council in his or her province. Consultation with local government has been taken seriously. As a result local government has been able to contribute to the debate on legislation and the legislation has been improved and enhanced.

Honourable members are aware that for practical reasons some propositions advanced in local government Bills are not necessarily good ideas. It is important that the practical and sensible objections of municipal councils are heard. That has traditionally occurred in this Parliament.

The State government and local government consultative council has been in operation for several years. It has been a forum in which matters that affect local government finances, workload and sometimes the relationships that affect the three spheres of government have been canvassed and information has been sought. That process was not used when decisions about this tax were made. No consultation has taken place. The tax has come out of the blue.

Local government does not want to handle the tax. It will increase its workload and will mean that councils will have to face the anger of the community in collecting the tax. The tax is being imposed in the same year that most of the 210 councils have undertaken expenditure restraint and cost cutting measures.

Local government resents the tax. It is unfair to expect local government to collect it. It is a blanket tax that will hit people who are on the breadline. It will hit the battlers but it will not be a significant cost to those who are well off. No attempt has been made to discriminate in favour of those who are powerless. During the next few weeks much anger will be demonstrated about some of the measures

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that are to be put in place by the government. The people who will be most affected by the tax, however, will not be those with loud voices but those with quiet voices who have not had much luck in life, or those who are old and fearful for the loss of their savings. They are the ones on whom this burden will fall unfairly.

Hon. J. V. C. GUEST (Monash) — We have heard complaints when we should have heard apologies from the former government. I had hoped we would hear something of more significance. We have heard a pathetic bleating about trivial problems. The motion is a symbol of the degraded former government and of a degraded opposition. It is a muddle; it indiscriminately mixes the trivial with the important; it does not condemn the tax entirely, but it wraps into the argument a muddled condemnation of the equity of the State deficit levy and what it claims to be the unfair burden that will be imposed on local government because it will collect the tax. I put the complaint about the collection of the levy at 10 on a scale of 1 to 100 against the important matter of equity to the taxpayer. Let me now emphasise what is important. I move:

That all the words after "That this House" be omitted with the view of inserting in place thereof "congratulates the government on taking prompt action by means of the State deficit levy and other measures to alleviate the burden of State debt and accumulating deficits resulting from the previous government's irresponsible and deceitful financial management and on its efforts to minimise the adverse effects on all concerned of the collection of the State deficit levy".

While the amendment is being circulated I shall speak briefly to Mrs Hogg's motion. The opposition should take this opportunity to admit the financial gravity of what it has done in bringing the State to its knees. It has also countenanced the waste of ALP-controlled councils — by no means the majority of course — which have engaged in the most outrageous featherbedding. At every point the Labor Party at all levels of government gave in to the unions, on which honourable members opposite depend for their preselections. The coalition government has had to take measures that are unwelcome, unfortunate and undesired — not inequitable and unfair — solely because of the financial mismanagement of the previous government.

I refer to *Restoring Victoria's Finances*, pages 13 and 14:

Were the State's finances to be put on a proper footing with full provision for all these ongoing obligations and contingencies, the underlying Budget deficit would be around \$3 billion.

That is the figure for only one year. It must not be forgotten that, as the document shows, similar deficits were accumulated over the previous five years. It may be argued that \$180 million a year will not do much to address the current account deficits that were built up by the previous government, and that is true. If any criticism were to be made of the measure by a responsible opposition it could only be that the government has not gone far enough, that the pain is not yet at the level needed to remedy the appalling problems left to the State by the previous Labor government.

I remind the House that we are referring to the deficit, not to the whole of the State debt, which may be only \$41 billion if one uses the word "debt" in a narrow sense but which is more than \$60 million if one includes unfunded superannuation liabilities. The problem of the current account deficit alone is so serious that drastic measures are needed. Under the heading "The underlying current account deficit", the document says:

The last Labor Budget to be implemented — the 1991-92 Budget — showed a total deficit of \$1645 million, of which the deficit on the current account contributed \$481 million.

This result included the impact of several one-off receipts, including large one-off special dividends from public authorities.

That makes the situation worse; those large dividends were necessarily only one off.

Excluding the effects of these one-off receipts, the underlying current account deficit for 1991-92 was closer to \$670 million.

Although the previous government's proposed 1992-93 Budget implied a substantial reduction in the current account deficit to \$280 million, this apparent improvement was almost entirely due to an intended one-off special dividend of \$600 million and the proposed introduction of an annual dividend of \$150 million from the Transport Accident Commission.

On unchanged policy assumptions, the projected current account deficit for 1992-93 is in fact of the order of \$1.2 billion, while the overall deficit is estimated at \$2.25 billion.

Those remarks do not take into account what will be shown up by a proper accrual accounting of the State's financial affairs. A beginning has been made with the central agencies to produce a proper balance sheet. Nothing adequate has been provided for depreciation or for the repairs and maintenance of infrastructure, roads being the most visible sign of that for most people. Honourable members who live near a park will see the extent to which their maintenance has deteriorated. All such deterioration is a consequence of Victoria's financial decline. In the end, we either lose them or pay for them, and the depreciation —

Hon. D. R. WHITE (Doutta Galla) — On a point of order, Mr President, the amendment moved by Mr Guest is a direct negative of the motion moved by my colleague Mrs Hogg, and my argument is based on the following grounds.

The motion moved by Mrs Hogg asks the House to condemn the government for its inequitable State deficit levy and for the unfair burden placed on local government in its collection, whereas the amendment proposed by Mr Guest congratulates the government on the introduction of the levy.

The main verb in Mrs Hogg's motion is the word "condemns"; the main verb in the amendment proposed by Mr Guest is the word "congratulates", which relates to both the government's actions and the State deficit levy.

Mr Guest has the opportunity of voting against the motion, and I believe it is not possible under the Standing Orders and according to *May* to move an amendment to a motion that directly negates that motion. I believe Mr Guest's amendment is not a true amendment in the sense that it does not merely qualify or change the spirit of the motion but negates it entirely through the use of the term "congratulates the government". I do not believe it should be treated as an acceptable amendment, and I ask for your ruling.

Hon. J. V. C. GUEST (Monash) — On the point of order, Mr President, you will not be surprised to know that I thought of the point raised by Mr White and so made appropriate inquiries beforehand. When a complex motion such as this is before the House, which deals with a tax that the opposition

claims is undesirable because of its inequity, the unfair burden it places on local government and other disparate matters, it is possible to directly negate the motion. But it is much more appropriate that the House determine its true attitude to the subject matters raised. Although the word "congratulates" is in a sense a negation of the word "condemns", my amendment does not simply offer a single, contrary way of looking at the issues in the motion moved by Mrs Hogg but gives an amended view of each of its elements. On those grounds I argue that it enables the House to take an appropriate view of the matters raised and, therefore, is not simply a negation of the motion.

The PRESIDENT — Order! This is not an easy point of order to rule on. When Mr Guest moved his amendment my first reaction was that it was a direct negation of the motion moved by Mrs Hogg. However, when one examines the motion, one sees that it deals with a number of issues — the condemnation of the government, the inequitable State deficit levy and the unfair burden placed on local government in its collection.

The amendment changes the first one of those — obviously by substituting the word "congratulates" for the word "condemns"; deals with other issues that expand some of the elements involved in the motion; and does not deal at all with the issue of burdens placed on local government. In that sense, I do not believe it is a direct negative. On the scale of things, I would not put this in the category of something of which I am 100 per cent sure, but on balance, and in relation to the elements of the motion, I do not believe the amendment is a direct negative, and therefore it can be entertained by the House.

Hon. J. V. C. GUEST (Monash) — It is important that the House remind the opposition that it lost and why it lost, and to try to induce a suitable humility and an apologetic attitude. If it is necessary to take advantage of weak and ill-drawn motions to do that, it will be furthering the opposition's education.

I have just dealt with the basic figures underlying the necessity for the State deficit levy, albeit that it is only a small element in what needs to be done to correct the financial problems of the State. On top of that, since the election we have had an unprecedented downgrading of Victoria by Moody's Investors Service of two places in its scale of credit ratings. This is likely to cost the State more than \$200 million a year in increased costs of borrowing.

As well as that, \$1.2 billion was borrowed outside Australian Loan Council limits some six months ago, and the Auditor-General has been denied access to the Treasury documents that would have allowed him to understand exactly what unlawful behaviour outside the Loan Council limits the previous Treasurer engaged in.

By contrast, the State deficit levy is an open, honest and simple tax, one that can be easily abandoned and, I would say, easily collected. The alternatives are not easy. The matter of honesty is at least as important as equity. In the long run it affects everybody's welfare, it affects trust and it affects the cost of money to the State. Therefore, it affects the ability of the State to look after the poor and disadvantaged. So, far from honest behaviour from the previous government, we had behaviour that has been aptly described as the sort of behaviour that would have put company directors in gaol if they had concealed, deliberately and wilfully, the true state of affairs in the way the previous government did in relation to its borrowing beyond global limits.

I refer, too, to its flagrant disregard of the requirements of the Public Records Act to preserve documents. Certainly, the present government has been unable to find the documents that would now make it possible to ascertain exactly what happened between the previous State Treasurer and the Federal Treasury. The documents are required to be preserved by law; they have not been. I also refer the opposition to the Crimes Act, sections 81 and 82, which refer to obtaining financial advantage by deception. If a private person — not just a company director — had engaged in the behaviour engaged in by the previous State Treasurer, he could have been charged with a serious offence under the Crimes Act. So, the moral question of equity has to be put in balance with the question of honesty, which has not even been addressed by the opposition.

I turn to the question of equity. I will not deal substantially with the questions relating to local government because they are being negotiated by the Minister for Local Government. Nobody could be better equipped to arrive at a fair, reasonable, efficient and altogether satisfactory solution than the Minister.

The criticism made by the opposition of the State deficit levy is that it is regressive and inequitable because it falls on the battler. To start with, there is a gross fallacy underlying that argument. One has to look at a total system of taxation, not just an

individual, relatively small tax. If the total system of taxation is regressive, obviously, in our times and our kind of society, that is a condemnation, but to say that one very small element of a total system, a small change, is not progressive or is not totally proportionate to people's wealth or income is simply to speak of one of those inevitable incidents of part of a taxation system that just happens to be the subject of legislation now. The whole criticism of the tax has to be put into a much broader context.

I shall confine myself to property taxes in this State. They are progressive. They were made excessively progressive, and not in a way that was just, by the previous government. It would possibly not surprise the former government to know that there are people in my electorate, people living in Toorak, who simply cannot afford the land tax bills imposed on them under the previous government.

Hon. D. R. White — You also have constituents in Port Melbourne, too, James. Have you met them?

Honourable members interjecting.

Hon. J. V. C. GUEST — The opposition would not be pleased to know — although you will be, Mr President — that Port Melbourne has for a considerable time had a flourishing Liberal Party branch as a result of dissatisfaction with the previous government and satisfaction with the Liberal representation.

The PRESIDENT — Order! Mr Guest, on the motion!

Hon. J. V. C. GUEST — Obviously the previous government simply did not care about people who might suffer real hardship without suffering the gross hardship of starvation or living below the subsistence level.

The previous government did not care about creating a highly progressive system that was not even fair. In this context land tax is a totally inappropriate vehicle for the raising of any additional revenue. The present government had to withdraw before the election the promise it made before the 1988 election to remove land tax from all owner-occupied dwellings. The removal of the land tax would have pleased many voters and would have relieved the straitened circumstances of many home owners. However, Victoria simply cannot afford the removal of the land tax; it is not a possible vehicle for either relief from or reducing the deficit. The tax is collected from property owners, not

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directly from the poorer people in the community, that is, not from the grossly disadvantaged.

Honourable members should bear in mind above all that the money is needed and that its collection must not be a burden on business. The State is in a severe recession because of the actions of previous Labor governments. It is not in the interests of the poor or the unemployed that business be struck with additional taxes.

As I said, it is not practicable — and it has not been suggested seriously by members of the opposition — to impose a progressive or proportional tax. Members of the opposition have not suggested an income tax.

The State deficit levy will protect tenants. Tenants may have to pay some element of the levy eventually because there may be a rise in rents to accommodate the expenses that will be paid by the owners of properties, that is, by landlords. However, even that is not certain. Honourable members must bear in mind that landlords of rented properties receive a tax deduction for a cost such as the State deficit levy and to that extent relief will be available for tenants. I am accepting the general presumption — by no means true in every instance — that tenants tend to be poorer than property owners.

The State deficit levy will protect jobs. It is a tax on the consumer in the guise of property owner; it is not — except to a small degree — a tax on business. If the previous government had had any idea of how it was driving small business — the main employer of workers in this State — to the wall, perhaps Victorians would not have got to the point where we desperately need to do everything we can to reduce the cost of conducting a business. That must be done first of all to enable the businesses still in existence to continue operating and then to enable them to expand and employ more people. The State deficit levy shares responsibility among those who must share responsibility for 10 years of mismanagement by the government of the State, that is, among all the electors of Victoria. Property owners should expect to make some contribution to repairing the damage that has been done.

My final point, and perhaps the most important in the context of Mrs Hogg's motion, is that hardship provisions will be put in place. They will allow those who would truly suffer hardship from the necessity of finding less than \$2 a week to help bail the State out of its mess to obtain relief.

I invite members of the opposition to consider how the State deficit levy compares with the tax increases on tobacco and liquor that were proposed by them when they formed the previous government. Those increases were not designed to bring Victoria's level of taxes into line with those of the other States as is the coalition's proposed increase in the tobacco tax but were taxes on those who are not just less able to pay but who, in many cases, are addicted to the taxed product. They were pretty good taxes because people could not escape paying them, given that they usually could not get away from consuming the products that were to be taxed! Only three months ago the opposition as the then government was happy to introduce increases in those taxes through the previous Treasurer's Budget. I ask the mover of the motion to tell the House what she thinks about such taxes. I suggest that the answer is that they would be unwelcome. The proposal would have been an imposition that the then government would have had to justify on economic and efficiency grounds. All such taxes represent another condemnation of the previous government that wasted Victorian taxpayers money and has left the citizens of Victoria with a legacy that requires hard measures to address it.

Mr Hallam will deal more than adequately, I am sure, with the last part of Mrs Hogg's motion. Any local government body worth its salt will be able to organise the collection of the additional \$100 levy through a series of steps that can be put in place over the remainder of the financial year. Local government bodies will incur small costs in paper and perhaps in postage. In the end, after the practical negotiations between Mr Hallam and local government bodies that are already under way and will soon be concluded have been dealt with, the costs and inconvenience should be small. Those small costs will be a reasonable symbolic sharing by local government bodies of the belt tightening that every member of the community at every tier of government has to take part in because we must all be conscious of the effects of the mismanagement of the previous government.

Hon. D. R. White — When you are talking about belt tightening, you are talking about the extra allowance that you will get as a chairman of a committee. The example you set is an example for everyone. How much extra are you getting as a chairman of a committee, James? You call that belt tightening? You are in the trough faction!

The PRESIDENT — Order! Mr Guest should not be subject to a barrage of questions from the Leader of the Opposition.

Hon. J. V. C. GUEST — Mr President, I heard some noise that I could not decipher. Unfortunately, it will have to go unanswered.

I have moved my amendment to Mrs Hogg's motion and have put my argument as to the elements of the original motion which the government totally rejects. The government will pass the amendment I have moved.

The PRESIDENT — Order! I remind honourable members that subsequent speakers will be addressing the motion moved by the Deputy Leader of the Opposition and the amendment to the motion moved by Mr Guest.

Hon. PAT POWER (Jika Jika) — I am happy to support the motion moved by my colleague Carolyn Hogg. When I made my initial contribution to the House last week I acknowledged that on the first Saturday in October Victorians gave the government a mandate to govern. I also recognised that Victorians had become temporarily disenchanted with the Labor Party; hence its transition from government.

One of the responsibilities of government is to act in keeping with the mandate given to it and to practise responsibility and accountability. The Kennett home tax is a breach of the mandate given on the first Saturday in October, and the view of many people who have spoken to me is that it is not a responsible action. The Kennett home tax has been described as a flat tax. I prefer to describe it as a flat-earth tax because, as has been mentioned before, regardless of where people reside and the rateable value of the residences in which they live or the buildings in which they conduct their businesses, an amount of \$100 will be syphoned off from each of them.

Victorians will increasingly consider this sort of tax to be irresponsible. I do not think Victorians contest that the government should put forward its perception of how the State debt should be addressed — that right was clearly given on 3 October — but if Victorians are taxed in such a specious way as the Kennett home tax, the flat-earth \$100 tax, the confidence of Victorians in the Kennett government will soon reach a dangerously low level.

The opposition welcomes the time when the level of confidence in the Kennett government is dangerously low. In the meantime government members have the responsibility of governing at a time in which nationally and internationally we are in a period of recession. The Kennett government has the responsibility of governing in a way that enables all Victorians to share the rewards and the burdens in an equitable way.

Social justice is an important component of government infrastructure and it does not matter whether one represents a metropolitan seat or a large rural seat, one knows that some people in the community are in circumstances that are much more comfortable than many others. Whether it is in a country town or a suburban setting, as Mr Guest perhaps does not understand, some people can find \$100 a year for the Kennett home tax and other people cannot find it.

Hon. J. V. C. Guest — We have hardship provisions.

Hon. Licia Kokocinski — What are they?

Hon. Rosemary Varty — You will see when the proposed legislation is introduced.

Hon. Licia Kokocinski — You do not know what the hardship provisions are. They are not even in the proposed legislation.

Hon. PAT POWER — Mr Guest might have his view of hardship provisions and I await with some interest the actual dimension of those hardship provisions. Should the government's hardship provisions be in keeping with other proposed legislation mooted in recent times the broad Victorian community will not see those hardship provisions as satisfactory.

In my province of Jika Jika a number of councillors and council officers have contacted me by telephone to express their alarm about the impost that will be placed on them. They are alarmed that without consultation or prior advice they are being asked to be agents of the government for the collection of this flat-earth \$100 Kennett home tax. Preston City Council has 28 000 rateable residential properties. That is not the total of rateable properties but only properties in the residential area. The tax will mean that \$2.8 million will be taken from the Preston community. Not only will ratepayers in the Preston community need to find the \$2.8 million but it will

also be syphoned from those small businesses that operate up and down the High Street strip.

The Northcote City Council has 22 500 rateable residential properties from which a total of \$2.25 million will be taken. In the two neighbouring councils of Preston and Northcote the Kennett home tax will, in a totally inequitable way, take \$5 million that would have gone to the many small shopkeepers who have struggled to fight the ravages of large shopping centres at Northland and so on, who operate in the healthy strip shopping in the High Street area. Probably many government members do not know where Northcote or Preston are let alone know much about the High Street shops.

Hon. Rosemary Varty — You should check up before you make a statement like that.

Hon. PAT POWER — The High Street shops provide a wonderful variety of shopping and eating options. When it comes to voting on this issue I wonder whether people on the government benches will call for a division so that they can have their names registered in *Hansard* as individual supporters of the \$100 inequitable Kennett home tax.

It is easy for people in government to hide behind the behaviour of a faceless Cabinet. It is easy for them to simply mutter a yes or a no when the question is put. I invite those who are philosophically and politically committed to the merits of the inequitable \$100 home tax to call for a division so that *Hansard* can record their support for it.

I conclude by referring to an article that appeared in the *Age* of Tuesday, 3 November entitled "Kennett's road to class warfare", which states in part:

The taxes and charges increased in the mini-Budget are an invitation to ordinary Victorians to conclude that they are going to be slugged proportionately more than economically favoured Victorians. That is a recipe for divisive resentments among those suffering most in the recession.

It has to be recognised that the government has a mandate, but I argue that attacks such as the inequitable flat-earth \$100 Kennett home tax are a breach of that mandate.

Hon. P. R. HALL (Gippsland) — I affirm my strong support for the amendment moved by Mr Guest and express my strong opposition to the

motion as moved by Mrs Hogg. I have sympathy — and I am sure my colleagues feel the same way — for the arguments put forward today by members of the opposition. As has been said by the Premier and Treasurer, the government did not want to introduce the \$100 levy or the other revenue raising measures but was forced to take drastic action to arrest the serious decline in the State's finances.

Government members feel for the people of Victoria, of which they are part, because there will be pain and hardship, not just as a result of the imposition of the property levy but also as a result of other revenue raising measures. The government is not introducing those measures by choice or because it is something it wanted to do; it is something the government was forced to do because of the situation of the State's finances.

The only group that can be blamed for the situation of the State's finances are honourable members opposite, who are now whingeing about the measures. The property levy is drastic — a wide section of the community will suffer pain and hardship — but we are in drastic times that call for drastic action. At least the government is prepared to take drastic action.

In taking that action the government is supported by political and economic commentators who say that immediate action is needed to address Victoria's problems.

Hon. D. A. Nardella — Who?

Hon. P. R. HALL — Mr Nardella asks who! I refer him to a commentary by the business columnist Stephen Bartholomeusz in the *Age* of 29 October 1992. I am sure all honourable members will agree that the *Age* is not a newspaper that is pro-coalition government, yet it still makes the following points:

Now that the Labor off-balance sheet fiddles have been subjected to the light of day, the underlying budgetary position is revealed as impossible ... it would be irresponsible not to respond to the position immediately by raising revenue and reducing outlays.

Mr Bartholomeusz agrees that drastic action must be taken quickly. The *Age* editorial of the same day argues that the Cain and Kirner governments bear responsibility for adding heavily to debt liabilities by borrowing increasingly for current expenditures and by concealing the underlying structural Budget deficit by various financial stratagems; that, politics

aside, there is no denying that drastic corrective action is now unavoidable to bring the State's finances under control.

The government did not want to take this drastic action. The government admits pain and hardship will be suffered by different sectors of the community, but it is time for drastic action. As the *Age* commented, it would be irresponsible not to take measures to improve the State's finances.

The government has been forced to introduce the property levy and other taxes as a direct consequence of the performance of the Labor government over the past 10 years. It is not the current government's fault; it is the fault of the abysmal performance of the opposition during 10 years of government.

During the time I have been in this place there has been a litany of financial disasters. Following the 1988 election the then opposition and the people of Victoria were confronted with the Victorian Economic Development Corporation (VEDC) disaster. That was not revealed before the 1988 election but came to light immediately afterwards.

Hon. R. M. Hallam — It was concealed!

Hon. P. R. HALL — Concealed is the word to use. As soon as the election was over Victorians learnt that in the order of \$600 million had been lost through the incompetence of the former government in its attempt to pick winners through the VEDC. The demise two years ago of Tricontinental Corporation Ltd and the resultant loss of State Bank Victoria caused losses in the order of \$2.6 billion. The former government entered into irresponsible commitments with Alcoa of Australia Ltd to subsidise electricity prices at Portland, costing the State hundreds of millions of dollars a year. The former government wrecked Victoria's finances through its incompetence in entering into those sorts of agreements and allowing those financial losses to occur.

In the past couple of days more recent disasters, in particular the devaluation of the Australian dollar, have occurred as a result of the incompetence of the past 10 years. The actions of the former Labor government had a direct influence on the devaluation of the Australian dollar, which has caused the nation immense problems in meeting its balance of payments commitments.

An article that appeared in the *Age* of 3 November 1992 entitled "Dollar and stocks fall to new lows" confirms what I have said:

Friday's sharp rise in Australia's trade deficit appeared to trigger last night's sell-off ... Other factors behind the currency and stock market falls were:

Worse-than-expected September building approval figures showing a 1.2 per cent fall.

The recent downgrading of Victoria's credit rating to A1 from AA2 by Moody's Investors Service.

The \$1.2 billion blow-out in Victoria's borrowings revealed last week.

Commentators claim that as a result of the performance of the former Labor government the last two factors mentioned in the article contributed to the devaluation of the Australian dollar and the disastrous financial implications that will have for Australia as a whole.

As the result of the former government's incompetence over the past 10 years the government finds it necessary to introduce the \$100 property levy. During debate no honourable member from the opposition side of the House has suggested that the government should not be taking strong and decisive action to correct the State's financial situation. Honourable members opposite have based their arguments on the inequity of the tax and on the burden being placed on local government as collectors of the tax. Both Mrs Hogg and Mr Power said the government needed to take corrective action — they were not arguing against the levy per se but about its inequity. I now turn to the argument about inequity.

The argument put so far is that the tax should be structured on a person's ability to pay rather than on whether that person has a rateable property. The only criterion on which one can measure a person's ability to pay is the taxable income of that person. If income tax were the criterion the levy would no longer be a property levy but income tax. State governments surrendered their income tax powers to the Commonwealth government some time ago — some say more is the pity — so the Victorian government cannot impose a levy based on income tax payments. I am sure the Federal government would not approve the increasing of income taxes for Victorians alone. The argument that the levy should be based on a person's ability to pay — that is, on a person's income tax payment — is based on an incorrect premise and is something the Victorian government does not have the power to do.

Another argument is that the levy should have been imposed on the rateable value of land. That would cause all sorts of problems. Many farmers in my electorate have valuable properties but their incomes are negligible — and in some cases they do not receive an income. Farmers may have valuable assets in their properties, but that does not mean they are worth a lot of money and have the ability to pay an increased proportion of the levy.

Mrs Hogg said the levy could have been applied as an additional land tax. Businesses account for 75 per cent of land tax revenue, and an increase in land tax would mean that a significant cost of the levy would be borne by businesses. That is counterproductive and goes against the government's intention of reducing or at least not increasing business costs.

The government has deliberately shielded businesses and industries from the revenue-raising measures so that employment opportunities will increase and people who are hardest hit by the \$100 levy will have the opportunity of gaining employment in the future.

I have already said that many people will find it difficult to pay the levy, but I am sure Victorians are willing to pay the levy now and have jobs in the future rather than not pay the levy and not have jobs.

The mini-Budget is about trying to improve the level of employment. It has imposed drastic measures, but if extra land taxes were imposed on businesses many more people would lose their jobs.

The government has tried to reduce the pain many people will face from the imposition of the levy in several ways. Firstly, councils will be required to offer periodic payment arrangements as they currently do with rate payments, so a person who chooses to make quarterly payments of his or her rates will be able to spread the \$100 levy across the four quarters. Secondly, relief provisions for genuine cases of hardship will apply in the same way as they apply for persons applying for reductions in their rates.

Mrs Hogg referred to the difficulties local government will encounter in collecting the levy. Prior to and since the election the Municipal Association of Victoria met with the coalition parties, now the government, and offered to assist in Victoria's recovery. This is one way the association can assist because the levy is best collected by local government. It has access to data to which the State government does not have access. Local government

can effectively and efficiently collect the property levy.

The opposition spokesman also said that local government has raised queries about difficulties in collecting the levy. Those difficulties will be worked through and overcome. I represent 21 municipalities and not one of those councils has come to me in the past week to say that it will not collect the levy. Several municipalities have told me that they want to sort out the difficulties before the collection procedure is imposed, and I have said that is fair and reasonable. Consultation is now taking place between the Minister for Local Government, his department and representatives of local government. I am confident those issues will be worked through satisfactorily.

One shire has indicated to me that some farm properties have independent rate notices for several blocks which constitute the one farm. Work will be required to collate the information local government has to ensure that viable farm enterprises are levied only \$100. Some farm boundaries extend across several municipal boundaries and as a consequence a farm may receive a rate notice from several shires. Again, that issue will be worked through to the satisfaction of local government and the State.

The opposition referred to the cost to councils in collecting the levy. There will be an administrative cost and some time costs for council officers. Local government will hold the levies collected from its ratepayers for a period before transferring it to the State government. The interest gained from holding the levy will help offset the cost of collecting it.

One of the main criticisms of the government is its lack of consultation with local government before deciding to introduce the measure. In reply to the criticisms, it would be nice to have the luxury of time to consult adequately. The State slips further into the financial mire each day that goes by without corrective action being taken. Action must be taken quickly if the decline is to be arrested. The government does not have the luxury of time to postpone these measures until the autumn sessional period next year. The government has tried to address the inequity arguments put by the opposition. It is consulting with local government and is confident that the difficulties associated with the collection of the \$100 levy will be addressed.

The opposition should support the measures the government is undertaking to bring about recovery. The opposition is the guilty party. It is responsible

for the mess created over the past 10 years and it should have the decency to realise that the government is taking strong action and showing strength of leadership to bring about a recovery in the State.

Hon. B. T. PULLEN (Melbourne) — I support the motion. I condemn the government on two counts: firstly, the inequitable nature of the State deficit levy; and secondly, the unfair burden placed on local government in the collection of the levy. I accept the need for any government to be able to raise revenue but it must have a mandate to seek additional revenue-raising methods. The government does not have carte blanche to choose a method that will have an iniquitous impact on the community.

It has been said that the collection of the tax does not take account of a person's capacity to pay. Considerable material is available relating to the regressive nature of the local government tax base. Local government is assailed with questions on that matter, and local councils throughout Australia are attempting to improve the nature of that tax base. The \$100 levy on each household has two negative impacts. Firstly, it moves the tax base away from being progressive because it does not take into account the capacity of people to pay in different parts of Victoria. Although that is not a perfect correlation, the value of a property is a reasonable correlation to a person's capacity to pay. Secondly, the problem with the current tax base is where people own property and are considered asset rich at a stage in their lives when their incomes are reduced, there is a mismatch between the assessment of the properties they own, the tax that they are asked to pay in the form of rates, and their capacity to pay those taxes.

Various measures are available to assist them, from the deferral of rates to concessions. The government must be condemned for the simplistic way in which it has chosen to raise the tax. This is not an academic exercise. The tax will be a burden on many people in certain municipalities that I know well.

I have obtained Australian Bureau of Statistics figures and spoken with local councils to compare the municipalities of Coburg, Collingwood and Melbourne. The municipality of Coburg has a pensioner population of about 14.5 per cent, and the municipalities of Collingwood and Melbourne have a pensioner population of more than 10 per cent. A substantial number of people in those municipalities are unable to easily find the additional \$100.

Mr Guest dismissed the notion that people do not have the ability to pay. He feels that the \$100 is pin money, something that one spends on a night out at a restaurant. Many honourable members would know that for many people \$100 is not pin money; it is an amount they would think hard about before spending. The \$100 levy will hit them hard.

The municipality of Coburg has some 23 400 rateable properties of which about 19 000 are residential. More than 5400 property owners have already sought concessions without the imposition of the \$100. That is prima facie evidence that many in the community are sufficiently concerned about rates. The municipality of Collingwood has some 7426 residential properties. Some 5700 households are on concessions and more than 2000 people have chosen to pay their rates by instalments. In respect of the 17 886 residential properties in the municipality of Melbourne, some 1900 people have applied for concessions and 9000 pay by instalments.

Honourable members are well aware that many people in the community who treat rates seriously and find them a burden, particularly the lumpy nature of them. Those who find it a burden either seek deferment or spread the burden by making payments in instalments. In those areas this \$100 tax will be seen as a burden, and it will fall more heavily on those people for whom \$100 is a large amount of money. If this were an equitable measure more consideration would have been given to the capacity to pay, even an imperfect capacity to pay, related to property values.

Mr Hall dragged in a red herring by attempting to relate the issue to income tax powers. It is not a question of moving to a State income tax, but that does not absolve a government from the responsibility of checking when it introduces a taxation measure that a degree of equity applies. There is a real danger in doing this. In this case the danger will be felt by local government, which is continually under attack because of the regressive nature of the rating system. It will provide a fillip to those people who are critical of the rating system. Local government will bear the brunt of the problems. That is the cynical aspect of the proposed tax. Clearly it was thought that by forcing local government to collect the tax the criticism would be spread.

Many people, particularly those in the municipalities I have mentioned, will not be able to distinguish between an additional \$100 in rate notices and the levy they have to pay, because, as

honourable members would know, there has been a revaluation and some people will receive rate notices that are significantly different from those of previous years. Many people will not understand that this is not an additional imposition and will not relate it to either the State or the Commonwealth; for them it will be the responsibility of local government. Local government will have to explain it, and for that task it will probably need additional staff. Many municipalities in my electorate will require interpreters and material in different languages, and the ethnic press will be required to try to get across the message that this is not an additional imposition.

Mr Guest indicated that he thought the tax would fall more heavily on people who pay rent. In central Melbourne about 14 per cent of rateable properties are occupied by private tenants. In St Kilda more than 50 per cent of properties are occupied by private tenants, and in Coburg the figure is 16 per cent. About 35 per cent of rateable properties in areas such as Brunswick, Richmond and Fitzroy are residential. It is only too easy for the landlord to pass the cost of the tax to the tenant by adding about \$2 to a week's rent. Inevitably the tenant will be required to pay the additional rate.

There is a third inequity in this tax. The landlord will be able to claim it as an expense, and he may even be able to make a gain from it. If a landlord who owns four properties and collects \$400 a week in rent makes a claim of 50 per cent, he will make \$200 at the expense of the taxation system, and it would be a transfer payment from the Commonwealth to the State. The landlord would profit and the tenant would pay. Where is the equity there?

The owner of a business property will be able to charge the \$100 against the business and will have the applicable tax relief so he will pay approximately half the amount the occupier will pay. It is a mismatch of ill-considered measures without any real equity.

Mr Guest might arrogantly dismiss this tax as merely \$100, but for many people \$100 is a significant amount. It is not sensible for any government to put forward such an iniquitous tax because it breeds resentment, not only for this tax but also for reasonable taxation measures.

Accepting the point that all governments must increase taxes, it is a poor strategy to talk about belt-tightening measures and then introduce a

measure that is immediately condemned for its lack of equity, while members of Parliament are receiving improvements in their salaries and conditions. Apparently the belt-tightening does not apply to some of us. The trough faction is demanding and getting its reward, no matter what other members of the coalition might think of the inequity, and that is a mixed message. People will feel they are not being asked to pay in a fair way.

This is not new stuff. This debate about taxation is an old one, and local governments know it well. The message I am receiving from the municipalities I have contacted is that they will expend considerable effort to make sure they are distanced from the tax and that it is seen to be a tax that is imposed by the State government. They may not succeed in every case, but they will try very hard. I do not envy the Minister for Local Government his role in working his way through those issues with local government as a first task.

I do not know whether everyone understands that this is not just a matter of local councils doing their best to collect the tax. They have to return the due amount of \$180 million or whatever the amount is by 30 June. If local government does not do that it will be liable, whether it collects the tax or not.

Hon. R. M. Hallam — So you have read the Bill.

Hon. B. T. PULLEN — Local government has certainly been told that, Mr Hallam. If what I say is not the truth Mr Hallam should tell local government the truth soon because it certainly understands it has the responsibility of finding those funds. It is not only a question of whether local government must collect the tax but also whether it will be absolved from the responsibility of providing the funds if it is not able to collect them in five years. That is certainly the understanding of local government, and I will be interested to hear what the Minister can tell us about any change that local government has not gleaned from previous discussions.

The final point, which illustrates the confusion in which this measure has been brought forward, relates to public housing tenants. In response to a question in this House the Minister for Housing said that \$6.5 million would fall due in respect of public housing tenants. At least he has had the grace to say that public tenants will not be required to find the additional \$2 a week — although he said that those funds will have to be found, and I do not think he knows at this stage where that \$6.5 million will be

found. From my experience it will probably be found in the recurrent expenditure, which is in the order of \$45 million.

This tax is an ill-considered imposition by the government because it is totally inappropriate, if not illegal, to try to use for that purpose Commonwealth-State Housing Agreement funds destined for the building of houses, pensioner units or other public housing. It would be improper for any of those funds to be diverted to support a State tax.

The Minister is put in the invidious position of having to find \$6.5 million in a relatively small Budget. That will also be detrimental to the services provided to people in public housing who are on pensions or social security benefits. Those people are not high-income earners.

In constructing this measure the government did not give sufficient thought to isolating the impact on that area of the Budget. Finding \$6.5 million will prove difficult and will result only in severe impositions on needy areas.

The entire measure is ill-conceived and inequitable, and will cause the Minister for Local Government enormous pain. In taking on this important portfolio he will find that his credibility will not recover from the job he must now do of explaining to local government why it has been singled out for such punishment.

The motion moved by the Honourable Caroline Hogg is accurate. The government stands condemned for bringing forward this taxation measure. As the days and weeks go by, that condemnation will be patently obvious as local government continues to rebel against this imposition.

Hon. LICIA KOKOCINSKI (Melbourne West) — I support the motion moved by the Deputy Leader of the Opposition and condemn the government for its attempt to pass a substantive amendment to the motion. I confine my remarks to the original motion: that the House condemns the government for the inequitable State deficit levy and for the unfair burden placed on local government in its collection. The opposition condemns the \$100 tax, as do many individuals and groups in the community.

I would note with great mirth, if they were not so tragic, the attempts by the Treasurer, Mr Stockdale in another place, by Mr Guest in this place and by a

number of other people, to redefine the concept of equity. No longer is equity in financial matters seen as the ability of individuals to pay according to their means. It has now been redefined as an across-the-board, flat earth policy — a scorched earth policy. To say that the \$100 tax is equitable because it will be levied on every person, family or rateable property regardless of the means of a ratepayer to pay that amount or the value of the property, changes the concept of equity. It is the same as economic rationalists on the government side and in the community redefining small-l liberal philosophy. I am not referring to the Liberal Party but to the economic and political doctrine of liberalism, which is being turned on its head.

It is inequitable that a person who is on a pension or who is unemployed and has a \$80 000 property in Braybrook, Sunshine or Altona should have to pay the same amount as a person who earns considerable sums of money and lives in, for example, a wealthier area of my electorate — say a wealthy vegetable grower. Single parents, the unemployed and process workers will all be taxed the same amount. That is an unusual definition of equity.

Mr Guest said that \$100 is not much. It may not be for people who earn \$65 000 a year, as we do. However, it is a lot of money for people who have only \$100 left after paying their taxes and mortgages. That \$100 must be spent on helping to feed and clothe the family. It is a lot of money in a single-income family where \$100 is used to meet the needs of the family until the next payday. Those people must put money aside to pay the electricity, gas and public transport fares.

Hon. R. M. Hallam — I wish you had thought of that when you were running up the State's debt!

Hon. LICIA KOKOCINSKI — The government should have told us about this tax before. It is the absolute height of arrogance to say that \$100 is not much money. Talkback shows on the radio are rejecting the statement made by commentators and so-called experts that \$100 is not a large amount of money. A family will have to put aside \$2 a week to meet the new tax. That will include many people who are trying to scrape together enough money to meet everyday costs. The effort to find an extra \$2, when coupled with other tax increases, will tip many families over the edge.

The opposition acknowledges that revenue must be increased, but there are a number of steps that could

have been taken that would not have meant the imposition of this levy across the board.

What consultation will be held with local government, and how will the tax be collected? The imposition of this tax marks a sad day for local government. I am interested in knowing how the government created this policy and how it will try to implement it. Contrary to what Mr Hall said, I should like to know what all the meetings were about. The last meeting between the Municipal Association of Victoria (MAV) and the Minister for Local Government of which I am aware was held last week. Meetings may have been held yesterday, Melbourne Cup Day; I am not aware of that.

Local government understands that it must collect the tax, but how will it be collected? No-one seems to know. Local government is to be the tax collector for the State government, but no-one knows how it will be done. At a particular time of the year each council will be given a bill for the number of rateable properties in its jurisdiction and it will have to fork out that money to the government. That will leave councils with a problem because they will then have to collect the money from their ratepayers. That is my understanding of the case, and I have not been told differently.

Hon. R. M. Hallam — If you don't know, you shouldn't speculate. Why make the comment?

Hon. Licia Kokocinski — Is the Minister for Local Government suggesting that what the MAV is telling him is different from what it is telling me? If so, I suggest that the Minister's relationship with the association is not as good as the Minister believes it to be. There is some "fibbing" going on somewhere in the process!

As I understand it, councils will be given a bill based on \$100 for each rateable property. The councils will have to fork out X number of dollars and then collect it from their ratepayers.

There has already been discussion by members on this side of the House about properties in respect of which rates are in arrears and the effect the levy will have on councils and ratepayers. I shall refer to a problem in my province that ranges from moderate to severe. As I said, councils will have to fork out the money to the government and then collect it from their ratepayers. It may be of interest to the Minister to know that rates are in arrears in respect of 5251 rateable properties in the province I represent, and the percentages are as follows: City of Altona,

2.21 per cent; City of Sunshine, 7 per cent; City of Williamstown, 3.89 per cent; City of Werribee, 8.54 per cent; and City of Footscray, 2.5 per cent. Those arrears spread across the electorate amount to more than \$500 000 in State levies, and the councils are expected to bear that cost.

As I understand it, councils will have to bear the cost of non-payment or late payment of the levy. That will not be cost free; it will have to be covered by increasing the rate base or by slashing services. The government has opened a can of worms, and there are too many questions with not enough answers. I want the Minister to address this issue.

Consultation with councils has not taken place. Honourable members have been told over and over again that hardship provisions will apply. Whacko-the-diddle-oh! The poor people in my province will have to beg and grovel to the Treasurer and fit into some wishy-washy criteria to be exempt from paying the levy.

A few moments ago Mr Hall spoke about how farmers with four or five rateable properties will be allowed to consolidate those properties and pay only one levy. The poor people I represent will have to write to the Minister saying, 'I am only earning \$400 a week; I can hardly survive now. Please don't make me pay the \$100 tax because I can't afford to pay my bills as it is'.

Hon. J. V. C. Guest — What is wrong with the hardship provisions in the Local Government Act that your government passed?

Hon. Licia Kokocinski — The hardship provisions in the Local Government Act are applied at the discretion of councils. By and large, councils determine their own hardship provisions, which they apply with greater or lesser flexibility according to the policies adopted by councils. No-one has said anything about hardship provisions, and the Minister for Local Government should explain them. Why did honourable members read in yesterday's Age a letter from the Treasurer about an area that is the responsibility of the Minister for Local Government? Why is the Treasurer doing the Minister's job?

The Minister should consider his position in Cabinet and determine how much confidence there is in his ability to handle this issue. I suggest that there is no confidence in the Minister's ability and that that is why the Treasurer is talking about the matter while the Minister is simply carrying the can.

Councils will have to wear the odium of the tax because it will appear on their rate notices. How much discussion has taken place between the Minister and his backbench on this matter? Councils will be in the front line, and some have even taken the step of saying that they will not collect the levy. Last week the City of Footscray, which is in my province, said that it will not participate in the collection of the levy. What is the Minister going to do about that? Will he throw the town clerk and the councillors into gaol? Is there an answer to that question? Perhaps I should ask the Treasurer, the de facto Minister for Local Government, what he intends to do about councils that do not participate in the collection of the household tax.

Mr Guest said that business is being protected. How stupid does the government think people are? Business will not be protected. The \$100 levy in combination with increases in fees for goods and services provided by the government amounts to approximately \$1000 a year being taken from the incomes of ordinary families.

Those increases will also hit business. As a result of the government's abolition of payments such as annual leave loading businesses will be screaming like stuffed pigs because people will no longer have that money to spend. If Victorians are barely surviving now they will not be able to cope with the payment of an additional \$100 that is described as a State deficit levy. There will be even less money for them to spend.

I ask the Minister to challenge me if I am wrong: businesses exist because they have products or services for people to buy; they are there to sell things to people. What happens if the money to purchase those things is withdrawn? Of course it will affect business, especially at Christmas time. Christmas is a time that many businesses look forward to. It is the time of the year when the viability of many shopkeepers is determined.

How can the government slug ordinary people who can ill-afford this tax? The government has redefined the definition of "equity" and has slugged everybody equally. As a result both consumers and business will be affected. Businesses cannot be isolated. It is extremely naive to believe business will somehow be immune from the State deficit levy. Small business will be hit hard. Victorians will have even less to spend and, as a result, businesses will be adversely affected.

There are alternatives to the problem facing the government such as revisiting the land tax issue to raise \$180 million. The Pyramid petrol tax, which the government has removed with such glee, could have been used.

Hon. R. M. Hallam — So that would be fairer?

Hon. LICIA KOKOCINSKI — From my point of view, yes, because the levy already existed and people were paying it. It is absolutely reprehensible for the government to slug ordinary families with this new levy. It is an ideological fix of the Liberal Party to try to redefine the whole concept of equity and it has done so in the most objectionable manner.

In closing, I shall summarise my main points. The opposition condemns the State deficit levy because the government's redefining of "equity" is reprehensible. At present no-one knows how the tax will be collected. No-one knows what will happen in the future with the concept. Victorians know only that somehow or other they will have to pay \$100 for every rateable property, regardless of their means of paying.

I referred the House to the government's lack of consultation with councils. Unfortunately councillors will have to wear the odium and the condemnation. The last point I made was that the new tax will adversely affect small business.

Hon. T. C. THEOPHANOUS (Jika Jika) — I support the motion and oppose the amendment moved by the government. The government stands condemned for introducing this regressive, inequitable tax. Although the government has proposed a number of arguments supporting the necessity of the tax, it has not put forward a single argument as to why it should introduce such a regressive tax to raise \$180 million or why a person living in a modest dwelling has to pay the same amount as a person living in a mansion. The government has not justified its arguments about equity but has put forward some burbling, hysterical nonsense on the reasons why it had to impose the tax.

I shall begin my contribution by dispelling the myth that the tax has anything to do with State debt. One can quickly ascertain that by examining what else has happened. The Minister for Local Government well knows that when considering a Budget one examines the totality of things that will happen as a result of the Budget. The government cannot simply say, "We have to put on a tax to reduce State debt"

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while it proposes to spend a heap of money that will have the opposite effect. Even the Minister would agree that that is a basic principle. Although the government seeks to raise money to reduce the State debt it has decided to spend it on policies that will provide kickbacks to its mates. That is what the tax will be used for.

It is proposed that some \$31 million will be given to employers to assist them in paying \$2500 on the employment of each new employee.

Hon. Bill Forwood — They might employ more people?

Hon. T. C. THEOPHANOUS — I am glad Mr Forwood said that. If the aim were to employ more people, the government would have said so in the Budget. It would have said that unemployment would be reduced by so many people. The fact is that as a result of the new Budget unemployment will increase. These moneys are a straight kickback to employers for people who will be employed anyway. Government members know that those people would have been employed in any case. There is no way that this is not a kickback. It will encourage employers to put off people, redefine their job descriptions, employ new people and cop \$2500 a head. That is the kind of equity proposed by the government. It will take \$180 million from ordinary Victorians and will give \$31 million back to employers.

The government also proposes to reduce land tax for people with properties worth more than \$200 000. Those people will cop another benefit. That is the real purpose of the State deficit levy. It will redistribute income from one group of people to another group of people. It has absolutely nothing to do with debt.

The Budget Papers propose that the government will borrow an additional \$600 million. The level of State debt will increase even further under the coalition government than it would have under the Budget proposed by the opposition when it was in government. The amount of \$180 million has absolutely nothing to do with State debt. It has much to do with giving kickbacks to your mates and with providing them with additional funds from the \$180 million that is raised. That is in addition to those people who are putting their snouts in the trough for four new Ministries, nine committee chairmanships, secretaryships, and Christ knows what else!

The DEPUTY PRESIDENT (Hon. D. M. Evans) — Order! I ask Mr Theophanous to withdraw his remarks about "Christ knows what else"; the expression is unparliamentary.

Hon. T. C. THEOPHANOUS — I withdraw, if you consider it to be unparliamentary, Mr Deputy President.

I hope Mr Guest, who has already spoken, asks the 35 Victorian families who will pay the \$3500 to allow him to put his nose in the trough whether they are happy to pay \$100 each.

Hon. R. M. Hallam — How much were you paid as chairman?

Hon. T. C. THEOPHANOUS — You have increased the five committees to nine, and you have increased the amounts paid to the chairmen.

Hon. R. M. Hallam — You accepted it.

Hon. T. C. THEOPHANOUS — Don't come that kind of argument here, Mr Hallam!

It is clear that the tax has nothing to do with debt but a lot to do with redistribution of moneys from the have-nots to the haves. Land tax is an existing and available vehicle. The government could have achieved the required additional \$180 million from land tax in one of two ways: by imposing land tax on an unchanged policy basis, which would have netted \$186 million; or by restructuring land tax while still maintaining an increase of \$180 million. You know it was possible to have that money collected, Mr Hallam!

As to the argument put earlier that land tax has a greater effect on business, and therefore should not be increased — —

Hon. W. A. N. Hartigan — Not that it would have worried you.

Hon. T. C. THEOPHANOUS — The argument was that 75 per cent of businesses pay land tax.

Hon. R. M. Hallam — That is not right, get it right; 75 per cent of land tax is paid by business, that is what was said.

Hon. T. C. THEOPHANOUS — It is true that land tax is paid by business. Also, small business will have to pay the \$100 in an unfair way compared with big business, because by its very nature small

business is more prolific; larger businesses, usually occupying bigger premises, will each pay only \$100.

Business is getting a kickback already. It is not unreasonable to ask business to pay the additional land tax. Incidentally, not only business but also properties valued at more than \$200 000 would be involved in land tax. It is not unreasonable to increase the land tax given that the government has already given business a kickback of \$31 million plus an additional Christmas present through business not having to pay a leave loading to workers. Business has copped another kickback in not having to pay that 17.5 per cent leave loading while at the same time its land tax will not be increased.

Hon. W. A. N. Hartigan interjected.

Hon. T. C. THEOPHANOUS — Where is the equity in that?

Hon. W. A. N. Hartigan — It employs more people.

Hon. T. C. THEOPHANOUS — The Budget Papers say you will not create more employment.

Hon. W. A. N. Hartigan — What has that to do with it?

Hon. T. C. THEOPHANOUS — If the government is not planning to reduce unemployment, what is it planning to do? The Budget Papers say that, and they mention lower growth. I do not know how the government will increase employment. It has a responsibility not only to manage the economy but to do so in an equitable way. The government has a responsibility to govern for all Victorians, but it has not been prepared to accept that responsibility.

Hon. W. A. N. Hartigan — Hypocrisy coming from you!

Hon. T. C. THEOPHANOUS — I now wish to speak about the inequity of this measure and its effect on tenants, because 17 per cent of Victorians live in rented accommodation and they will be forced to pay the \$100 Kennett home tax either through an increase in rent or through being asked by their landlords to pay the tax in a lump sum.

Will the government take action to ensure that that does not occur? If it were serious the government would take action to make it illegal for the \$100 to be

passed on by the landlord to a tenant. As it is, landlords will be able to take cases to the Residential Tenancies Tribunal to collect the \$100 tax; then the landlords will be able to obtain a tax rebate on the \$100. Therefore, tenants will be forced to pay the \$100, and, to add insult to injury, landlords will make money out of the despair of their tenants.

The moral bankruptcy of that proposition is evident for anyone to see. Tenants will condemn the government for its action.

At the same time, the 27 000 property owners whose properties are valued at more than \$200 000 each — and it must be remembered that many such properties are rented flats or units — will receive a reduction in land tax. That adds further insult to injury for tenants!

The Minister for Housing has said the government will charge public housing tenants the \$100 Kennett home tax. The 65 000 rateable properties, part of the public housing stock, will each be levied \$100. That raises an obvious and interesting question: will the \$6.5 million be passed back in benefits to public housing tenants? The Minister has said he believes he can find \$6.5 million from his budget to finance the tax — that is bizarre and absurd.

It is absurd: if the Minister were really able to find \$6.5 million in his budget, why not avoid the administrative nightmare and simply take \$6.5 million out of the housing budget? The answer is that the \$6.5 million does not exist in the housing budget. It is considered a joke that the department that last year had a budget of \$52 million including planning — and this year it has less because of a 2 per cent cut that does not include planning — could find an additional \$6.5 million internally. It is nonsense and the Minister knows it is nonsense.

The department thinks it is nonsense and consequently one of two things will happen: either services will be cut — that is, either the money normally spent on repairs, on public housing or on new housing stock will be pilfered and plundered and public housing tenants will suffer as a result — or, invariably, the tax will be passed on to the tenants themselves in the form of increased rents. Therefore the Minister for Housing has been totally dishonest by suggesting that he can find \$6.5 million.

The department thinks it is a joke and I believe the Minister has misled the House by suggesting that it can be done. He ought to come clean and tell the House where he will find the \$6.5 million in his

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budget so that people can understand the extent of the dishonesty of the government in the way it proposes to collect the tax.

Throughout the debate I have been arguing that the tax is inequitable, and no argument has come from the government to refute that. Government members cannot run away from this debate. They cannot say they had to act this way to collect the money because, as I have shown, the collection of the money has nothing to do with debt but a lot to do with redistributing the Budget.

Money is being collected on the pretext that this has something to do with debt. It is then being handed over to employers in the form of a \$31 million subsidy to those with houses worth more than \$200 000 in the form of reductions in their land tax obligations and to members of the government with their snouts in the trough. That is what this particular measure is all about. It has nothing to do with debt and it is obscene. The government stands condemned.

Hon. R. M. HALLAM (Minister for Local Government) — Mrs Hogg invites the House to condemn the government for what is described as an inequitable State deficit levy and for what is described as an unfair burden placed on local government in its collection. In other words, there is an argument that a State deficit levy is inequitable and that the whole process is unfair on local government.

In responding to this challenge the two key words we need to consider are “inequitable” and “unfair”. The issue is whether a State deficit levy is inequitable and “unfair, unreasonable and unjust” — the definition of that word in the dictionary.

There is no argument that it is unwelcome. There is no argument that it is unfortunate and unpopular because, after all, it is a tax, and opposition members should at least acknowledge that any tax could be described as unpopular. It is an unpopular move that we have been required to make.

Mrs Hogg says this is a bad tax. I want to spend time examining that charge. Three questions need to be considered. The first question and the one I expected would be canvassed by the opposition is whether it was reasonable to impose a State deficit levy in the first place. That question has not been asked. No opposition member challenged the need for the levy.

They spoke about the way it is to be imposed but not the fact that there was a need for it.

Hon. T. C. Theophanous — Of course we did.

Hon. R. M. HALLAM — You talked about the way it was imposed.

Hon. T. C. Theophanous — Why don't you listen?

Hon. R. M. HALLAM — It takes Labor's infernal gall to come to this place and argue that there is no need for a State deficit levy. I want to put some of the facts on the table because the opposition has merely argued about the strategy and not the principle of whether we need the levy. Is there a deficit at all? Did we actually hear anyone in the opposition speak about the deficit? This is meant to be unfair in so far as it relates to the deficit yet no-one opposite talked about deficit.

Let us put some facts on the table. I refer to pages 13 and 14 of *Restoring Victoria's Finances*. No-one challenged the facts put on the table in that context. Let us address the issue that should have been addressed concerning the last Labor Budget — the 1991-92 Budget. It showed a total deficit of \$1645 million, of which the deficit on the current account contributed \$481 million.

No opposition member challenged those figures so we can conclude that they acknowledge a deficit in the current account of \$481 million. The current account is simply the divergence between revenue and outlays. There is no trick to that and yet no-one challenged the claim that the current account deficit for the last year of Labor was \$481 million. It included the impact of several one-off receipts, the largest being the special dividend from the public authorities. The then government raided the public authorities to get the deficit down.

Hon. W. A. N. Hartigan — It pillaged them actually!

Hon. R. M. HALLAM — That is exactly right. Excluding the one-off receipts, the underlying current account deficit for 1991-92 was closer to \$670 million. It then goes further than that, and, again, these figures were not challenged. Although the previous government's proposed 1992-93 Budget included a substantial reduction in the current account deficit to \$280 million — and that is what its Budget said it would be — this apparent improvement was almost entirely due to a one-off special dividend of \$600 million, and the proposed

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injection of \$750 million from the Transport Accident Commission. That means that \$750 million was to be pilfered and pillaged from the Transport Accident Commission. Even after that was taken into account the then government still brought down a budget that acknowledged a fundamental deficit in the current account. I now understand why no honourable members opposite have been prepared to argue that there was no need for a State deficit levy.

Hon. T. C. Theophanous — We did argue that. We said it should be done through land tax.

Hon. R. M. HALLAM — That is a matter of strategy. You have not argued about the deficit.

Hon. T. C. Theophanous — You are playing semantics.

Hon. R. M. Hallam — You did not address the fundamental problem. You did not acknowledge the deficit.

Hon. T. C. Theophanous — We did.

Hon. R. M. HALLAM — You talked about how we might address it and said it was a matter for debate but you did not acknowledge the deficit. You have missed the first lesson and in my view the motion is a nonsense because of it. I shall go one step further. The statement continues:

On unchanged policy assumptions, the projected current account deficit for 1992-93 is in fact of the order of \$1.2 billion, while the overall deficit is estimated to be \$2.25 billion.

That matter should have formed part of the argument put by the opposition. It would have been a good place to start the argument about the deficit when we are debating a strategy that is designed to attack it. The statement continues:

The forward estimates were also prepared on the assumption that a substantial part of the borrowings raised in 1991-92 to pay out holders of units in the Victorian Equity Trust would be repaid by October 1992 from contributions made by the participating public authorities. As this had not occurred by the time of the change of government, this debt will need to be rolled over ...

Another \$27.5 million is involved there. I should have thought Mr Theophanous would have acknowledged that the deficit was affected by the

extent to which his government deferred interest charges. We have had that debate many times in this House. I should have thought that was relevant when debating a strategy to address the deficit which the former government left, and also its concealment of the true extent of that debt. Instead, the opposition has the gall to complain about the government's strategy when its only strategy when in government was to hide it. The government has put the facts on the table, but the opposition complains about the government's strategy to deal with them. I know it is unpalatable. I wish we did not have to take this course.

The opposition has no right to challenge the government's strategy when it was the cause of the underlying problem. The statement continues:

If the forward estimates on unchanged policy assumptions are adjusted only for these known additional financial obligations, and for the additional interest costs associated with the resultant higher overall deficit, it is apparent that the true current account deficit for 1992-93 is of the order of \$1524 million ...

There should be no argument about the urgent need to address the deficit. Is the \$1524 million deficit being challenged? It is not. I shall take the House through these matters.

Hon. T. C. Theophanous — You are redistributing it to your mates.

Hon. R. M. HALLAM — That does not acknowledge all of the sad news that has come to the surface during the past few days. It does not include the shame of our credit rating being downgraded by two points.

Hon. T. C. Theophanous — That is the Treasurer's fault.

Hon. R. M. HALLAM — What a wonderful comment! Within the first few days of our government the best known credit rating agency told us that we were literally a basket case. To our humiliation our credit rating was downgraded. We now have the lowest credit rating in Australia. We have suffered the humiliation of being downgraded to a level below that set for Tasmania. That is what the former government did.

Hon. T. C. Theophanous — Keep talking down Victoria!

Hon. R. M. HALLAM — The \$1524 million of structural deficit did not take into account the \$1.2 billion of converted debt that was arranged outside the rules of the Australian Loan Council. If any honourable member in this House should be ashamed, those who were members of the former government should be, because their Treasurer did not tell caucus or the Cabinet about that matter. It was arranged behind the kitchen door. That figure was not included in the deficit; it was built into the State's finances and it is another issue that we must address.

Hon. T. C. Theophanous — That doesn't address it!

Hon. R. M. HALLAM — I was also embarrassed to learn that the Auditor-General claims that he was denied access to figures which would have enabled him to establish the deficit figure. Victoria's watchdog was denied access to the facts, yet members of the former government have criticised the way the government intends to clean up the mess!

The \$1524 million deficit excludes the pain of the loss of our State Bank. How can members of the Labor Party sit there and complain about the way the government is addressing the problems it has inherited when we have not only suffered the humiliation of losing the one good thing we had going for us but it has also cost us \$2.6 billion? The same people who are complaining about the way we are addressing the problem are the people who have done the best they can to conceal it. Shame on you!

There is no argument about the deficit and there should be no argument about the urgent need to address it. It is not only appropriate that we address the State deficit but the only responsible course available to us. It is amazing that the opposition has the gall to complain about the government's strategy. If we do not address the deficit our other strategies will be tokenistic, hypothetical and doomed. If we are not prepared to grasp the nettle the rest of the discussion is a waste of time because we will be perpetuating the myth initiated by the former administration — that we could borrow our way around the problem, or hide it from the people to whom we are responsible.

Hon. T. C. Theophanous — You have no credibility while you are giving kickbacks to your mates.

Hon. R. M. HALLAM — The amazing thing about the opposition's argument is that it was the Labor Party when in government that went to great lengths to hide the true facts from the Victorian people. It pretended that everything in the garden was rosy. It used trickery and deceit to ensure that Victoria's true financial situation was not revealed to the electorate.

Hon. T. C. THEOPHANOUS (Jika Jika) — On a point of order, I object to Mr Hallam complaining that I used trickery and deceit to deceive the Victorian public of anything. I ask that he withdraw the comment unless he has proof of it.

Hon. R. M. HALLAM — I withdraw. If Mr Theophanous did not know about the circumstances of the trickery and deceit then I apologise.

Hon. W. R. Baxter — He should have known.

Hon. R. M. HALLAM — Before the election the coalition said that although it would not enjoy the medicine at least it would be up front and it would take Victorians through the true position. It said that it would not hide the issue and it would not use the petrol bowser to deal with it.

On day 1 the government made a commitment to establish an Audit Commission whose only responsibility would be to advise the people of Victoria about the true nature of our massively damaged finances. We have commissioned that audit process and we will report to the people of Victoria on what is found beneath the surface. The opposition may not like the way we intend to fix it — I do not expect it to — but it is up front for all to see.

The coalition said it would cut the cost of government — the opposition does not like that — and would introduce more revenue measures — no-one likes that — but it said that up front. That is the difference between the former administration and the current administration.

We have introduced a substantial package of reform. The nettles throughout the Victorian finances will be grasped. At long last a government is prepared to say how it is and to address the problem. In the short term we must stem the deficit. It may take until the cows come home, but unless we are prepared to stem the deficit inherited from the Labor administration our other strategies will be a waste of time.

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No-one in the Labor Party ranks could challenge the need for a State deficit levy. Honourable members opposite have confirmed my view because in debating the motion not one of them has done so.

Hon. D. R. White — That's not correct.

Hon. R. M. HALLAM — I suggest their reason for not doing so is that they are more than a little embarrassed by the extent to which the introduction of the levy has been made necessary by the mismanagement of the previous government. It is nonsensical to argue that a State deficit levy is not needed.

Hon. T. C. Theophanous — We don't need it. We could do it through land tax.

Hon. R. M. HALLAM — The levy is equitable, which is the second point. The \$100 State deficit levy is based on property ownership: it assumes a connection between the ownership of property and the ability to pay.

Honourable members interjecting.

Hon. R. M. HALLAM — Before you all jump up and down, I remind you that this is exactly the same principle that the previous Labor government applied to local government rates for many years. Honourable members opposite have never argued that municipal rates should be based on the ability of landowners to pay. They assumed —

Hon. Licia Kokocinski — They are based on property values; come on!

Hon. R. M. HALLAM — Municipal rates are based on assumed property values; and Labor governments have assumed that property values are the true test of ability to pay.

Hon. Licia Kokocinski — They are a reasonable correlation of the ability to pay.

Hon. R. M. HALLAM — That's my point precisely. That is why we have imposed a levy of \$100 across the board. It is not unreasonable to infer some connection between the ownership of property and the ability to pay — that is effectively what land tax assumes.

Mr Theophanous should be careful in running the sorts of arguments he has put to the House. He said that the government should have increased land tax to bring in the funds that are needed.

Hon. T. C. Theophanous interjected.

Hon. R. M. HALLAM — You said that a few minutes ago. How could Mr Theophanous say in the next breath that the State deficit levy should be based on the ability to pay.

Hon. Licia Kokocinski — Yeah!

Hon. R. M. HALLAM — Yeah? I have obviously missed a page in your logic. The imposition of the State deficit levy is based on property ownership and, at least to some extent, assumes a correlation between the ownership of property and the ability to pay. Further, the tax —

Hon. T. C. Theophanous — Why are you taxing tenants then?

Hon. D. R. White — Most people who pay rates don't pay land tax; you know that.

Hon. R. M. HALLAM — I shall come back to that point. As well, the \$100 state deficit levy applies to every property owner.

Hon. D. R. White — That is not equitable. A \$100 levy in Toorak does not have the same effect as a \$100 levy in Hamilton or Port Melbourne.

Hon. R. M. HALLAM — The rationale underlying the levy is that the responsibility to clean up the mess left by Labor should be shared. The decision was made deliberately to ensure some ownership in the reform agenda, some contribution by all Victorians to the State's climbing back from where the Labor government had taken it

Honourable members interjecting.

The PRESIDENT — Order! The Minister cannot possibly proceed if he has to deal with a barrage of interjections. As my predecessor so often said, interjections that are apposite to the matter being debated are acceptable, which implies that interjections be made one at a time to enable a Minister to deal with them. In this case the Minister cannot do so if he is forced to deal with three or four interjections at once. I invite the Minister to continue without assistance.

Hon. R. M. HALLAM — In part the levy has been structured to enable people to feel they have some ownership in the recovery process.

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Hon. Pat Power — It's not ownership, it's imprisonment.

Hon. R. M. HALLAM — Every Victorian has come to understand the depths to which the Labor government has taken this State, Mr Power. The levy was also deliberately set at \$100. If the government had wanted to take the arguments put by Mr Theophanous and Ms Kokocinski to the nth degree, it would have applied a levy ranging downwards from \$1000 or \$2000.

Hon. Licia Kokocinski interjected.

Hon. R. M. HALLAM — That was not the argument. The argument was based on the ability of the levy to be applied across the board. It was done for the sake of efficiency so that the government would not become involved in claims about whether a particular level was fair and whether it should apply in certain circumstances. It was designed specifically to ensure that all Victorians understood the terrible situation from which they must escape.

An Honourable Member — It's cash for some and food for others.

Hon. R. M. HALLAM — A \$100 State deficit levy across the board is not only simple but efficient. One of the first tests of an income tax is the extent to which the payments made will ultimately find their way into a pool for the benefit of all beneficiaries. We must all take into account the extent to which taxation revenue is consumed by the administrative process. The government believes the structure of the levy is efficient —

Hon. D. R. White — You won't have to deal with the changes; local government will. It will be costly to administer, as well as time consuming.

Hon. R. M. HALLAM — I will come back to that point. The decision not to impose the levy on business was taken deliberately to ensure that the recovery process was not warped by penalising the productive sector of the economy — which is what occurred time and again under the Labor administration. To have imposed the levy on business would have been to impose a levy on employment at a time when business was being driven out of the State.

Hon. Licia Kokocinski interjected.

Hon. R. M. HALLAM — One of the things you must learn is that to provide employment opportunities we need employers.

Hon. Licia Kokocinski — You need people to buy the products, remember that.

Hon. R. M. HALLAM — We need employers making profits; only then can job opportunities be created.

It is interesting to examine the logic underlying the arguments put by members on the other side. I think it was Mr Pullen who suggested that landlords will be able to pass on the cost of the levy to the tenants. Two things worry me about that argument. Mr Pullen said that landlords will make profits from the levy because they are all crooks.

Hon. B. T. Pullen — I didn't say they were crooks.

Hon. R. M. HALLAM — Mr Pullen then said the levy was unfair because it would be passed on to tenants. Will someone explain to me why a levy on business would not be passed on in the form of higher prices, reduced competitiveness and lower employment? Can anyone explain to me why Mr Theophanous then argued that the levy should be somehow expanded? He went on to argue that we should tax tenants. What an extraordinary argument! That is the logic underlying his remarks.

Hon. T. C. Theophanous interjected.

Hon. R. M. HALLAM — You said it was unfair that the levy would be restricted to only a handful and that it should be expanded. Mr Pullen then said that the levy would be exploited by crooked landlords. The logic of what was put to the House by Mr Theophanous and Mr Pullen is fascinating.

Hon. T. C. Theophanous — Have you gone off your head?

Hon. R. M. HALLAM — Mr Theophanous argued that the government was giving an advantage —

Hon. T. C. Theophanous interjected.

Hon. R. M. HALLAM — Mr Theophanous said that the government did not examine land tax and income tax. There is no disputing the fact that such taxes are progressive. But the State deficit levy is to be applied across the board precisely to ensure that

all Victorians understand the process we are now involved in.

The PRESIDENT — Order! I remind the House that under Sessional Orders the time allowed for general business will expire at 2 p.m. I understand that the Minister intends to move at 2 p.m. that Sessional Orders be suspended to enable the debate to proceed. For that reason I shall resume the chair at 2 o'clock.

Sitting suspended 1 p.m. until 2.3 p.m.

The PRESIDENT — Order! As the time for General Business has expired, I call on the Minister to move an appropriate motion.

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

That so much of the Sessional Orders be suspended as would prevent General Business taking precedence over all other business until 2.30 p.m. during the sitting of the Council this day.

Motion agreed to.

Hon. R. M. HALLAM (Minister for Local Government) — When the House rose for the suspension of the sitting I had been discussing what I thought would have been the second issue raised by the opposition in moving this motion of condemnation today — that is, whether the arrangement of the State deficit levy is inequitable. We have heard many challenges in respect of that, but I do not believe we have heard any compelling arguments.

I had gone through the background to the decision to set the levy at \$100 and the basis for that, and I shall give a brief explanation to the House of why the last two matters I shall refer to occurred.

I was making the point that the \$100 levy has been quite deliberately shifted away from the business sector. The opposition has argued that we should have looked at grading the levy on the basis of the value of the property or income to make it truly progressive. I have been making the point that we made a quite conscious decision not to do that because of the impact that would have on the ultimate outcome in respect of job opportunities. We have provided for hardship relief. There is an exemption in the Bill, and that has been discussed with the Municipal Association of Victoria (MAV) as

recently as in the past few minutes. We are working through that process.

In addition, we have taken on board the protection complications in the farm sector, where an integral farm may be quite artificially segregated by property lines or municipal boundaries. We have made it clear that in those circumstances the \$100, in accordance with the principle, the original tenet, will be applied only in the one instance. On that basis, we do not accept that this is an inequitable imposition. In fact, we believe the opposition has brought no substantive case to the House today.

The third question I want to consider, and the third question I thought Mrs Hogg would have based her case upon, is the question of the burden on local government. Mrs Hogg raised the issue and I shall respond to a couple of the claims she made.

In one respect I admire the ability of members of the opposition to make a judgment in advance. On the one hand I am being castigated for not consulting with representatives of local government generally and on the other hand it is being suggested that the Bill that will be introduced to provide for collection of the State deficit levy will take a particular form. I suggest that members of the opposition cannot have their cake and eat it. They cannot complain that they have not been told of the detail of the administration and collection of the State deficit levy and in the next breath say that the government is to be castigated for not consulting with representatives of local government.

In fact that is precisely what is happening. The issues addressed particularly by Mrs Hogg are under discussion with the MAV. They include matters such as how long local councils may hold the funds they collect, which is a central consideration. If, for instance, councils hold the funds for 28 days, as is currently being suggested, they would have the benefit of the equivalent of three-quarters of 1 per cent of the amount collected. That would be sufficient for councils to cover the costs involved because it would cover the standard administrative costs.

The second issue under discussion with councils right now is the process by which they could cover their costs in this financial year. The government acknowledges that many councils have already sent out their rate notices and that they would be facing costs associated with the first imposition of the State deficit levy. Currently the government is discussing with the MAV how that cost may be recognised and

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how councils may be recompensed from the revenue that will be raised.

The third issue being actively discussed currently is how the non-collectable margin will be handled. That is, the government acknowledges that individual ratepayers may not pay in the normal course of events. Having been involved in local government, I understand the range of specific administrative problems faced by local councils. In some cases, they are as simple as not being able to establish the ownership of a property. In those circumstances, it would seem to be unfair to ask councils to underwrite the technical and notional tax, that is, the maximum amount that could be collected.

A process by which councils will remit the funds as they are collected is currently under discussion with representatives of local councils. Such a process would see councils become a true agency of government rather than a tax collector. All the issues are currently being discussed with the MAV and local government generally. I do not accept the accusation that the government has not consulted with local councils because, as I said, that is exactly what is happening now.

When the decision was made to introduce a State deficit levy, as part of the overall strategy of addressing the incredible deficit the government had inherited, it seemed absolutely logical that the collection of the levy should be administered by local government. In the first place, local government has the database, and, just as clearly, State government does not. Last week Mr White said in the House that the Land Titles Office has the necessary database. It does not. Honourable members are talking about 1.9 million assessable properties in this State. The only available database is with local government.

Hon. D. R. White — And the Valuer-General's Office. Have you checked with the Valuer-General's Office?

Hon. R. M. HALLAM — It could be argued that it is something of a compliment to local government when it is said, "Here is an agency that the government intends to use —"

Hon. D. R. White — Why do you bother to have a Valuer-General's Office if the office is not checking that information? Of course it has the information, and you know it!

Hon. R. M. HALLAM — The government took on board —

Hon. D. R. White — The Valuer-General's Office has the information, and you know it! What is the purpose of having a Valuer-General's Office?

The PRESIDENT — Order! It is difficult to hear when there is a continual barrage of interjections across the Chamber. I ask the Minister to make his contribution and Mr White can respond at the appropriate time.

Hon. R. M. HALLAM — The database that is currently held by local government is the most appropriate and efficient for the purposes we seek. We took on board the suggestion that this process would minimise the cost of the deficit levy. It did not make good sense to duplicate a taxing regime and every argument was there to use the facilities already available.

I understand a number of municipalities are reluctant to be caught up in this taxing measure. I understand some are critical. As I said, no-one would describe any taxing measure as popular. We did not impose it because we wanted to be popular, we imposed it because we needed to address the deficit that came as a legacy of the previous administration.

Local government must be careful about running the line that it does not want to be a tax collector for another tier of government because that is already a precedent in another form. Local government takes advantage of taxes collected at other tiers of government, both Federal and State governments, and this is simply a reversal, in part, of that process. I do not accept the premise that local government should be absolved absolutely from all the pain of raising the revenue needed to address the deficit we inherited.

In addition, the records should show that prior to the election local government and the then State opposition discussed the ways in which they could cooperate to address the problems confronting this State. Local government said that if the Liberals were elected they should attend to the big issues and leave local government to do what it was best at. That is precisely what we are doing. When local government came to us and said, "We want to help", we took it up on that offer.

With regard to the claim about no consultation, this is a taxing measure and it would simply have been

inappropriate and unrealistic to suggest that we would go out into the market place and talk up a taxing measure before it was introduced to this place. In addition, I point out that the director of local government wrote to all councils on 2 November explaining the general background to the imposition of the levy, how it would work, and what would be expected of councils, and making it clear that the details of the administration were under active negotiation. Negotiations are now taking place and the opposition's claim about the way in which this tax is to be imposed is both premature and presumptuous. Negotiations have not been completed.

The government does not accept the argument that a State deficit levy was not needed. I do not think that argument was put, but the implication was that somehow this was an unnecessary tax. We acknowledge that it is a sad but necessary tax and there is something to be said for the fact that we at least had the gumption to put the strategy up front and to say to the Victorian people that although we do not relish the tax, it is a logical, realistic and honest response to the financial position confronting us.

The chronic problem with which we are grappling is not of our making and it is the ultimate irony for the opposition to be castigating us for addressing the problem it caused in the first place.

I do not accept the argument that the State deficit levy itself is inequitable. It is designed first and foremost to demonstrate that there is a shared responsibility for the plight of the State and that all Victorians need to accept at least some of the pain that is necessary for the slow climb back to a position comparable with other States. The levy has been structured specifically to avoid an unreasonable burden being imposed during that process.

I also do not accept that it is unfair on local government, particularly as the details of administration, which have been designed to minimise inconvenience, are still being actively negotiated. The government is using tax structures that already exist. It is the most efficient form of collection of the revenue involved and, on that basis, is not an unfair imposition on local government. The opposition has made no case at all.

Hon. C. J. HOGG (Melbourne North) — In reply on the motion and the amendment, but more

particularly on the motion because the opposition does not agree with the amendment, it has been said that because everyone will pay an equal amount of \$100 under the State deficit levy it is an equitable proposition. It is not an equitable proposition: a payment of \$100 for somebody who is well-off is a different proposition from a payment of \$100 for someone who is in receipt of social security benefits, is a battling superannuant, is a battler in general with a low-paid job, or is a pensioner. An equal payment does not provide equity and we must not redefine equity to mean that — it does not!

The government should peruse a number of serious questions raised by my colleagues who participated in the debate. Serious questions must be asked of the Department of Planning and Development — questions of relevance to tenants generally in Victoria. Following the debate those questions should be carefully scrutinised by the government.

I understand Mr Hallam when he says there is logic in local government bodies being the collection agents for this tax, but I believe there is no fairness in it. It is unfair for local government to have to collect the tax. Local government bodies themselves feel keenly about it.

All honourable members accept that consultation is still taking place, that details of the administration are still being discussed and that those in local government will be much better informed in several weeks or months. However, over the past few years the former government found that it was possible to consult with people in local government before measures were introduced, even when sensitive Budgetary issues needed to be worked through with local government. In that situation it is possible to deal with members of the peak councils with total confidence and it is not necessary to conduct even delicate negotiations and consultations after the event.

There is real anger in local government circles about the lack of consultation prior to the introduction of this measure. Members of local government bodies remain concerned about the workload they feel will eventuate, although that is difficult to calculate at present. People in the community are angry because they perceive an inequity. Nobody denies that the government has a mandate to do a good many things, but inequity breaches that mandate.

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House divided on omission (Members in favour vote No):

	<i>Ayes, 14</i>
Davidson, Mr	Mier, Mr
Henshaw, Mr (<i>Teller</i>)	Nardella, Mr
Hogg, Mrs	Power, Mr
Ives, Mr	Pullen, Mr (<i>Teller</i>)
Kokocinski, Ms	Theophanous, Mr
Landeryou, Mr	Walpole, Mr
McLean, Mrs	White, Mr

	<i>Noes, 28</i>
Asher, Ms	Forwood, Mr
Ashman, Mr	Guest, Mr (<i>Teller</i>)
Atkinson, Mr	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr (<i>Teller</i>)	Hartigan, Mr
Birrell, Mr	Knowles, Mr
Bishop, Mr	Skeggs, Mr
Bowden, Mr	Smith, Mr
Brideson, Mr	Stoney, Mr
Cox, Mr	Storey, Mr
Craige, Mr	Strong, Mr
Davis, Mr	Varty, Mrs
de Fegely, Mr	Wells, Dr
Evans, Mr	Wilding, Mrs

Amendment agreed to.

Amended motion agreed to.

QUESTIONS WITHOUT NOTICE

ACCIDENT COMPENSATION COMMISSION

Hon. R. S. IVES (Eumemmerring) — Is the Minister responsible for WorkCare aware that the Accident Compensation Commission has pre-empted Parliament by instructing claims agents to withdraw offers to injured workers for settlement of common-law claims under existing legislation?

Hon. R. M. HALLAM (Minister responsible for WorkCare) — I am not aware of that and I shall report back to the honourable member by the end of the day.

MINISTERIAL MEETING ON NATIONAL ROAD TRANSPORT

Hon. G. R. CRAIGE (Central Highlands) — I understand that the Minister for Roads and Ports

attended the Ministerial meeting last Friday on national road transport, which had on its agenda the national uniform registration fees for heavy vehicles. Will the Minister advise whether Victoria agreed to introduce complementary legislation to enable uniform charges to commence on the scheduled day of 1 July 1995 and, if not, why not?

Hon. W. R. BAXTER (Minister for Roads and Ports) — On Friday I attended the Ministerial Council meeting of the National Road Transport Commission (NRTC) in Brisbane, and it should be noted that the government supports the concept of uniform registration fees for heavy vehicles throughout Australia. However, for some time I have been concerned about the work of the NRTC and before the election I said that the coalition was unhappy with the work that had been done and did not believe that the NRTC truly executed the charter given it by the Ministerial Council following its establishment consequent upon a decision of the Special Premiers Conference some time ago.

The charter was to establish a charging regime that properly reflected the damage done to roads by various classes of heavy vehicle. In my view the formula prepared by the commission fails to do that. It includes vehicles that travel very little each year, such as those used by farmers during harvest, which is in the dry season when the roads are dry and damage is less; they are laden one way only and their annual use is below the average. The commission acknowledged that fact in its proposals and I have made the point again since I became Minister.

When the former transport Minister, Mr Spyker, attended the last council meeting he indicated that his government was unsure about the proposal for early complementary legislation, and when Victoria made a qualified response to the postal vote which was conducted at Mr Spyker's suggestion he indicated that Victoria would introduce the complementary legislation only if the NRTC carried out an investigation into investment in road construction.

We agree with the stance taken by the previous government. In 1992 the Prime Minister wrote to the States in advance of the expiry of the current federal road funding legislation in 1993. He said it was the Federal government's intention to untie some \$350 million of road funding and to distribute it to the States, not on the same basis on which it has traditionally been used but in accordance with the

relativities of the grants that are used for distribution by the Grants Commission.

For whatever other good reasons there may be in the commission's formula, it disadvantages Victoria and New South Wales. If that relativity in respect of road funding were put in place Victoria would be disadvantaged by some \$270 million over a short time. That would be untenable, bearing in mind the disgraceful state of Victoria's roads and the rapid deterioration that has been occurring due to funding cutbacks.

In answer to Mr Craige's question, I indicated at the meeting on Friday that Victoria would not be in a position to pass the complementary legislation early in the New Year.

Hon. D. R. White — Did you have any support?

Hon. W. R. BAXTER — I did indeed, Mr White. We indicated that we were not happy about passing the legislation until there had been a full investigation into the future of road funding and stated that we should like to have undertaken a study of the investment criteria and principles for road funding, bearing in mind that while Victoria does not have a lengthy road network, it has a heavily trafficked network which generally provides access to the export ports for the nation, whereas other States might have longer road networks but lighter traffic.

The government believes those criteria had not been sufficiently taken into account. That is where the matter rests. The government will be making a further submission to the National Road Transport Commission to have the investigations carried out.

ACCIDENT COMPENSATION COMMISSION

Hon. D. A. NARDELLA (Melbourne North) — I refer the Minister responsible for WorkCare to the fact that claims agents have pre-empted Parliament by sending letters to solicitors acting on behalf of injured workers withdrawing all offers for settlement of their claims.

The PRESIDENT — Order! Mr Ives asked a question earlier that commenced by saying, "Is the Minister aware that claims agents had pre-empted Parliament by sending out such letters?". Can the honourable member assure me that he is not asking the same question?

Hon. D. A. NARDELLA — Yes, Mr President. A letter that I have in my possession states that such offers are being withdrawn pending amendments to the Act. Will the Minister now take action to ensure that offers that had already been made under existing legislation are duly honoured?

Hon. R. M. HALLAM (Minister responsible for WorkCare) — As I said in response to a previous question on a similar issue, I am not familiar with the details of the changes made. In this case also I am delighted to take up the issue raised by the honourable member, and will provide a response to him before the rising of the House today.

RURAL HEALTH AND COMMUNITY SERVICES

Hon. S. deC. WILDING (Chelsea) — Will the Minister for Aged Care advise the House of the progress that has been made in developing multipurpose services for health and community services in rural and remote areas?

Hon. R. I. KNOWLES (Minister for Aged Care) — Many honourable members will be aware of the difficulties that occur in small and remote areas in providing the range of health and community services necessary to sustain individual members of those communities. It was an issue that the government, when in opposition, addressed and the issue has also been taken up by the Federal government. In its last Budget the Federal government indicated a willingness to fund a number of pilot projects comprising aggregated resources in the health and community services area in several communities and provide a pool of funding where local communities could develop a more appropriate range of services rather than continue the current position where services are funded on a program basis.

Discussions between officers of the Victorian and Federal governments have been held and the governments have agreed to the basis on which those trials will occur. In the next few weeks the Victorian government will nominate a number of locations in Victoria where it would be appropriate to trial those services. This concept holds great hope for many areas that wish to develop services that are more appropriate and responsive to their needs through a funding model that will apply throughout country Victoria. If the model is properly developed it will be useful in meeting the needs of smaller ethnic communities. The government is trying to develop ethno-specific services by aggregating the

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resources of ethnic communities to allow the development of more responsive services to meet their needs.

I am pleased to advise the House of the progress that has been achieved to date, and I look forward to informing the House of further progress in this important multipurpose services area.

ACCIDENT COMPENSATION COMMISSION

Hon. T. C. THEOPHANOUS (Jika Jika) — I direct a question to the Minister responsible for WorkCare. It has come to my attention that virtually all the claims agents have sent letters to solicitors withdrawing all offers to injured workers. I am appalled that the Minister has no knowledge of that.

Hon. ROSEMARY VARTY (Silvan) — On a point of order, Mr President, this question appears to be identical to the second question asked by the opposition.

The PRESIDENT — Order! There is no point of order.

Hon. T. C. THEOPHANOUS (Jika Jika) — Virtually all claims agents have sent letters. A number of injured workers who have been offered settlements and notified their solicitors to accept the offers have been told that the offers have been withdrawn because of impending legislation. Since the offers were obviously made because —

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — On a point of order, Mr President, this is question time, not the adjournment debate. I ask that you, Sir, call Mr Theophanous to order. As an experienced member of this House he should be aware that he must get to the point of the question rather than debating it.

The PRESIDENT — Order! I uphold the point of order; there should not be a lengthy preamble to a question. Another point that must be considered is that in his preamble Mr Theophanous said that “all claims agents had sent letters”. Honourable members should be aware that statements such as that are assurances to the House that they are correct. I suggest that Mr Theophanous is not in a position to make such a statement, and I warn all honourable members on that matter. Preambles to questions which make statements or purport to make statements are assurances to the House that

they are correct; therefore, they should not be used lightly.

The Leader of the Government made the point that this is question time. Questions should be succinct and preambles should be extremely short. I ask Mr Theophanous to put his question as a question.

Hon. T. C. THEOPHANOUS (Jika Jika) — The offers were obviously made because the claims agents considered that the cases had merit, and I ask the Minister how he can justify the injured workers involved being chopped off without any recourse to compensation.

Hon. R. M. HALLAM (Minister responsible for WorkCare) — The question contains an imputation that I do not intend to canvass. The questioner is suggesting as a matter of fact an issue I am unable to comment on. I will give Mr Theophanous a copy of the document I have undertaken to give to Mr Ives and Mr Nardella, who both raised questions on exactly the same subject.

STATE CONSERVATION STRATEGY ADVERTISING BUDGET

Hon. E. G. STONEY (Central Highlands) — Will the Minister for Conservation and Environment advise the House of what analysis the government has done on the State conservation strategy advertising budget?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — The government has done a full analysis of the State conservation strategy advertising budget. It is an annual budget allocated to promote all matters relating to conservation and environment in Victoria. The government was disturbed to find that the bulk of the funds were spent by its predecessors in the pre-election campaign period. Indeed, of the total \$1.2 million allocated for that Budget item, \$900 000 was spent in the three-month business period prior to the State election. Even though only 25 per cent of the business year had expired, approximately 75 per cent of the advertising budget had been spent. There could not be a more blatant example of the Labor Party dishonestly using taxpayers' money for political benefit.

The campaigns are supposed to run for twelve months and they are supposed to advertise matters of public interest such as the clean air campaign, community events or grants to different organisations. In analysing the Budget we find that

the bulk of that money was squandered for political purposes and to win brownie points at a time when the Labor party was clearly unpopular.

We also find that every cent of the year's allocation of \$25 000 for eco-tourism and every cent of the full-year allocation of \$60 000 for local conservation strategy programs was spent prior to the election. Therefore, no money is available in the Budget for the balance of this business year.

Of the \$50 000 for the national parks Community Awareness program \$44 000 was spent prior to the election. The Labor Party squandered \$44 000 in three months and has left Victoria only \$6000 for the rest of the year. Honourable members who have been here for some time will remember the concerns expressed by the coalition before the election about that advertising program. The key element of the program was that it should have been for the State, not for the Labor Party. An allocation of \$550 000 on an annual expenditure item for this business year was spent on promoting national parks. Every cent of that allocation was spent during a three-month period and before the Labor Party was defeated at the polls. That is an example of the Labor Party's priorities.

It not only exposes the Labor Party as wasting taxpayers' funds but also means that for the balance of this business year no funds will be available for the promotion of national parks. There is not 1 cent unspent in the Budget for the national parks campaign, which forms part of this strategy. We have no money for the balance of the business year for the important area of national parks. For the hypocrites in the Australian Labor Party to say they support national parks and then to empty the budget for national parks to try to win votes at the election is a classic example of their being caught out. I know Mr Stoney and others are concerned about ensuring that we get value for the dollar in the conservation budget, but the dollar has already been spent.

WORKCOVER

Hon. T. C. THEOPHANOUS (Jika Jika) — Is the Minister responsible for WorkCare aware that the American Medical Association's (AMA) definition of a serious injury — that is, 30 per cent impairment — would exclude a person with a below-the-knee amputation, which is assessed at 26 per cent; a person with multiple fractures of the right leg, a shattered right ankle, head injuries and a fracture of the right foot, assessed at 26 per cent; and a person

with head injuries involving permanent loss of concentration and memory, and permanent injury to the neck, shoulders and back, assessed at 23 per cent?

Will the Minister confirm that the AMA test will be used to determine whether an injury is serious under his WorkCover proposals; and does he agree with the discredited AMA test of a serious injury?

The PRESIDENT — Order! Honourable members are entitled to ask one question; Mr Theophanous has asked about three questions. I suggest honourable members take that into account in future. However, I call the Minister.

Hon. R. M. HALLAM (Minister responsible for WorkCare) — I am not in a position to know which particular version of the American Medical Association (AMA) profile Mr Theophanous is quoting, because there are several versions.

Hon. T. C. Theophanous — The latest.

Hon. W. R. Baxter — How would you know what would be the latest?

Hon. R. M. HALLAM — That makes it even more complicated, if Mr Theophanous is now confirming he is quoting the latest version of the AMA structure, because I am not in a position to quote that. Obviously he has access to it, but I have not.

I confirm that we intend to use the AMA model as a test for serious injury. For the benefit of the honourable member, that same testing process is used by virtually every workers compensation system throughout the Western World.

For instance, I can confirm that it is employed by WorkCover in New South Wales, but I cannot say whether it is the same for WorkCover in South Australia. I can also confirm that the reforms we intend to pursue in workers compensation in Victoria will specifically pick up the best features of the New South Wales WorkCover system, and we will be doing that in Victoria as quickly as possible.

AGRICULTURAL EDUCATION IN EAST GIPPSLAND

Hon. P. R. HALL (Gippsland) — Prior to the recent election the Minister for Tertiary Education and Training undertook to review the proposal to transfer the responsibilities of agricultural education in the East Gippsland Victorian College of

Agriculture and Horticulture to the East Gippsland Community College of TAFE. Is the Minister able to give the House details of that promised review?

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — I thank the honourable member for his question, because it is an issue in which he and Mr Davis have much interest.

I am pleased to say I have made arrangements for an immediate review of the proposal referred to by Mr Hall. Earlier this year a decision was made by the former Minister responsible, the honourable member for Coburg in the other place, to transfer responsibility for agricultural education in East Gippsland from the Victorian College of Agriculture and Horticulture (VCAH), McMillan campus, at Sale and Bairnsdale, to the East Gippsland Community College of TAFE.

The decision was made on the basis of recommendations from the State Training Board following a review of agricultural education in TAFE. It included proposed arrangements for a school of primary industries within the East Gippsland Community College of TAFE, with a board of management representative from the local farming industry. The decision was very controversial because of a long history of vying for the progressive area of agricultural education between the VCAH and the TAFE college.

The local farming community was particularly interested in the decision and in the VCAH province continuing. There had been much lobbying. It was most surprising that the former Minister made a decision in the heat of an election campaign, appearing to disregard the recommendations and views of many agricultural people and organisations within the area.

Consequently, when the decision was made it was announced that should there be a change of government there would be a review of the decision. In the light of that announcement I have now asked Mr Peter Hill to review the decision and ensure that interested parties have an opportunity for input.

The government wishes to be satisfied that the training needs of this area in the agricultural field are properly met. The review of this matter is an integral part of that objective. The review will take place as soon as possible and all interested parties will be consulted. I hope it will be possible then for a decision to be made that will reflect the wishes and needs of all concerned in that area.

WORKCOVER

Hon. PAT POWER (Jika Jika) — I address my question to the Minister responsible for WorkCare who has stated on a number of occasions in this House his total opposition to removing people's rights retrospectively.

By way of brief preamble some country Victorians have been waiting for two years for their WorkCare common-law cases to be heard on country circuits when their city cousins have had their days in court some 12 to 18 months earlier.

Under his WorkCover proposals how can the Minister justify people not being able to pursue their common-law claims, which were made under the rules that applied when the claims were lodged, while others who may have lodged later applications will receive the benefit of the existing law? Is that not blatant discrimination against injured country Victorians?

Hon. R. M. HALLAM (Minister responsible for WorkCare) — Mr Power's question goes to an issue that is becoming topical at the moment — retrospectivity.

In the first instance I do not accept the challenge that the change we are contemplating, which is part of the Bill, is retrospective in the sense that the honourable member is applying it.

However, first of all I will comment in general terms about the thrust of the question, which says that we are to be criticised for restricting the access of claimants to common law. I find that strange because it was a matter of policy in the Victorian Branch of the Australian Labor Party that common law be omitted altogether. A policy statement was issued in about 1987 that we should be abolishing common law so — —

Hon. B. E. Davidson — Why don't you start up the tractor and drag yourself into the 1990s?

Hon. R. M. HALLAM — It was your policy. Here we have people criticising the way it has been done, and although I am unable to canvass the Bill in the sense that it is already in another place — —

Hon. Pat Power — What's this got to do with the law?

Hon. R. M. HALLAM — I have been asked the question. The Bill will say that from a date to be

proclaimed in the future the new law shall apply. Yet people are now arguing that that is retrospective.

It would not matter how we chose the cut-off; people would be caught.

Hon. B. E. Davidson — The words “existing claims” in there would help.

Hon. R. M. HALLAM — It does not matter how the process is introduced, some people will complain that they were close to gaining or retaining access to a previous administration, rule or law.

Let me come to the issue that goes unsaid in respect of this question and that is that under the Bill in the other place we are opening the door to a new head of law claim under common law, a door which was closed by the Labor Party in government.

Hon. T. C. Theophanous — But you’ve got to have two legs chopped off under “serious injury”!

Hon. R. M. HALLAM — The Labor government said we would have a no-fault system in this State from 1985, and it was passed through this place when the Labor government had a temporary majority as a result of the tied vote in Nunawading. They claimed there would be a no-fault system in this State and that there would be only restricted access to common law. That was the original intent.

We are going back and recapturing that concept, but expanding it to this extent: we are saying to those people that now they do actually have claims under common law for loss of earning capacities, which were taken away under WorkCare. The opposition wants to have its cake and eat it, too. It wants to be able to criticise whatever reforms we implement but it is not prepared to admit that the current system is breaking down around our very ears.

I remind the honourable member who asked the question and the House that workers compensation in this State is in absolute and total disarray with an accumulated deficit of \$2000 million. It is out of control. One of the commitments —

Hon. T. C. Theophanous — Down from \$4.5 billion!

Hon. R. M. HALLAM — What a claim to fame! That is fantastic! We have made a commitment to address the problems of workers compensation. We will overcome the massive imbalance in competition when Victoria is compared with New South Wales

and Queensland. We are prepared to grasp the nettle. We acknowledge that job opportunities are being exported to New South Wales and Queensland because the Victorian system has failed. One ramification is that people will be caught up in the changes to the system.

Hon. T. C. Theophanous — You are a hypocrite.

Hon. R. M. HALLAM — Many thousands of Victorians will welcome the changes to WorkCare because at long last Victoria will start to move again.

MUNICIPAL WATER AND SEWERAGE RESPONSIBILITIES

Hon. ANDREW BRIDESON (Waverley) — Will the Minister for Regional Development inform the House whether the government will be forcing municipalities with both water and sewerage functions into undertaking amalgamations of those functions?

Hon. R. M. HALLAM (Minister for Regional Development) — The issue raised by Mr Brideson is of great importance to country communities. It is a direct responsibility of the Minister for Natural Resources in another place, Mr Coleman. Of course, it is of enormous interest to local government, particularly those that administer water and waste water functions. I have a number of those councils in my province.

Mr Brideson will be aware that the most significant issue for local government in this context is a study that was undertaken into the south-west region of the State of Victoria. The study involved 32 water authorities, of which 10 are municipalities providing water services and 15 are directly associated with nearby municipalities. The previous administration established a steering committee to conduct a broad ranging inquiry, and just prior to the election the committee made a number of recommendations: firstly, that the 32 water authorities should immediately be replaced with six catchment-based regional water authorities; secondly, that a possible further rationalisation, to three authorities, should be considered within five years; and, thirdly, and importantly in the light of the question asked by Mr Brideson, that local delivery of services should remain with local municipalities, including customer services.

We have a challenge, because the joint administration of local government and water functions has meant that there has been an

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inordinate amount of cross-subsidies. I am not sure how to prove it. I am not sure that it is the villain it is often painted to be, but there is an important issue to consider if water administration is to be changed dramatically without impact on local government administration. We run a risk of an outcome that no-one would support.

I am delighted that my colleague, the Minister for Natural Resources, has announced that before any action is taken the government will talk to the authorities involved individually. No action will be taken without direct consultation with them.

I remind the House that the coalition in opposition was not involved in the establishment of the inquiry or its terms of reference, but we acknowledge that an enormous amount of effort and energy has been invested in it. The findings of the inquiry should not be discarded because it was initiated by the previous administration. The announcement was made by the Minister that each of the individual authorities would be consulted before any action is taken by the government.

CAPITAL CITY (SHOP TRADING) BILL

Second reading

Hon. M. A. BIRRELL (Minister for Major Projects) — I move:

That this Bill be now read a second time.

The purpose of the Bill is to deregulate trading hours in our capital city, allowing seven-day shop trading in part of the City of Melbourne and in the Southbank area within the City of South Melbourne.

As honourable members are aware, the government has a major commitment to ensure that Melbourne is "open for business. A fundamental initiative in achieving this commitment is the deregulation of trading hours.

Not only will this long-overdue reform stimulate the business environment, it will also enhance Melbourne's attractiveness as a lively cosmopolitan centre with a vibrant retail entertainment and cultural focus.

The government has a clear mandate on trading hours. When outlining the coalition's Vision for Our Capital City program in August 1991, it promised that it would:

... legalise seven-day trading for the CBD including Southbank. Our capital city will be a livelier and more active place when this occurs.

That promise was echoed in the coalition's major projects and tourism policies, released during the State election campaign.

Unrestricted retail trading will be allowed in parts of the City of Melbourne and the City of South Melbourne, including the retail heart, Southbank and Docklands. Trading will not be allowed on Good Friday, Christmas Day and up to 1 p.m. on Anzac Day.

Shop trading in areas outside the area shown in the map that is incorporated in the Bill will not be affected, being regulated under existing legislation.

Importantly, this Bill effectively complements other major policy commitments and initiatives of the government. Foremost of these is the creation of jobs through tourism. Tourism is an exciting industry that offers the opportunity for generating significant wealth creation and higher levels of employment over time.

We will, therefore, proudly sell the city as an attractive destination for tourists and as the convention capital of Australia with international arts, theatrical, cultural and sporting facilities. Through this Bill and subsequent complementary initiatives the government will ensure that Melbourne presents a vibrant image and user-friendly environment. We are committed to revitalising our great capital city.

I commend the Bill to the House.

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

Hon. M. A. BIRRELL (Minister for Major Projects) — I move:

That the debate be adjourned until tomorrow.

Hon. D. R. WHITE (Doutta Galla) — This is the first time honourable members have been given the opportunity to examine this important Bill.

Although I do not doubt the bona fides of the Leader of the Government concerning the issues surrounding the central activities district and Southbank, the Bill has implications for the retail industry in general, both within and outside the

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central business district. Therefore, I suggest that the debate be adjourned until Tuesday, 10 November. That would enable the opposition to properly consult all members of the community affected by the Bill.

Hon. M. A. BIRRELL (Minister for Major Projects)(*By leave*) — The government seeks an adjournment to the next day of meeting. I am happy to talk to the opposition about the issue in the meantime. If anything of great substance arises, I am happy to reconsider the period of adjournment. We do not wish to have the debate adjourned until next Tuesday because the matter was widely canvassed in great detail before the election and, as the second-reading speech indicates, we made this promise back in August 1991.

The people who opposed it then in large part oppose it now — a group of predictable opponents. I do not think there will be any news following their reading of the Bill, because it reflects exactly what we promised well over a year ago.

We do not want to put off this reform any longer. Parliament is sitting for only three weeks. It is an unusual session; normally there would be a longer time spent on a whole range of Bills, but I thought the opposition would be least likely to delay this Bill. We want to have seven-day trading introduced in our capital city quickly. We do not want unnecessary delays. Therefore, I oppose the suggestion to adjourn the debate to next week.

I ask the Leader of the Opposition instead to support the adjournment of the debate until tomorrow. Today and tomorrow I will be happy to discuss with him anything of substance which arises and which would be regarded as something that has not arisen in the debate on this matter that has gone on for more than a year.

Hon. D. R. WHITE (Doutta Galla) (*By leave*) — Firstly, on the forms of the House it is tradition, custom and practice that when a new Bill is introduced there be appropriate time for all members of the House to familiarise themselves with the details and content of the legislation. That cannot be done in the next 24 hours. I can genuinely say that we would not be prepared to debate this Bill tomorrow. For obvious reasons we were prepared to assist with appropriations last week — and we did.

In respect of shop trading, we agree with the Leader of the Government that the government sought and received a mandate on this issue, but some matters

that are of interest to us have not been canvassed in the second-reading speech. Specifically, during the period prior to 3 October there was a great deal of discussion by the then opposition about what would happen to retail shopping outside the central business district (CBD) and Southbank. On a number of occasions it was proposed that the legislation be altered to delegate to local government the responsibility for shop trading hours outside the CBD and Southbank.

Clearly, that matter also formed part of the public debate and mandate. I do not recognise in the second-reading speech anything to do with that issue. I recognise in the second-reading speech that areas outside the CBD and Southbank will be dealt with by the existing legislation, as I read it. What is now being canvassed has different implications for the retail sector from what was canvassed before 3 October.

We would like the opportunity to find out what the general observations of the retail sector, local government and the community are about the impact of the proposed legislation, which does not contain the expected delegation to local government.

In any event, there is a responsibility for all members of this and the other House to familiarise themselves not only with the intent of the legislation but also with what in fact happens through the legislation. It has always been my experience that, notwithstanding the intent, which the Minister has clearly outlined, what the Bill actually does is another question. We have a responsibility to scrutinise the proposed legislation carefully and sensibly to ensure that the intent of the government, expressed in both the second-reading speech and previous policy announcements, is reflected in what is in fact in the legislation. We have not had the opportunity to scrutinise the Bill.

If the Minister was so intent on having the legislation passed this week, he should have taken the opportunity to distribute the Bill to us sooner, or informed us about what was in the Bill. That has not occurred.

It is unreasonable to expect us to respond tomorrow; we will not be in a position to respond tomorrow. We are not seeking to filibuster on this Bill. We may well have a different point of view, but what we put in respect of the adjournment is in accordance with past practice. Moreover, during the time when the Leader of the Government was the Leader of the

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Opposition on not one occasion did he condone such a short adjournment.

Hon. M. A. BIRRELL (Minister for Major Projects)(*By leave*) — In response to the remarks of the Leader of the Opposition, on dozens of occasions in the past the then opposition under my leadership debated Bills on the day they were introduced. They were debated not just within 24 hours of being introduced but without an adjournment following the second-reading speech. We did that because our view was based on the practicality that a proposal had been widely canvassed and if we had not reached a conclusion by then it would have been embarrassing to say so.

Certainly on a highly technical issue honourable members would expect to have more than 24 hours between the second-reading speech and the resumption of the debate. The Capital City (Shop Trading) Bill does not fit into that category. Moreover, this is not a normal session —

Hon. D. R. White — We do not accept that. There is no reason why it should be a three-week session!

Hon. M. A. BIRRELL — It follows an election victory. The government is seeking to implement key elements of its mandate. As a result, the government does not accept that members of the Australian Labor Party do not have a view on the issue of shop trading hours. However, if in the next day a matter of substance were raised by any member of the Labor Party I should be happy to accept an adjournment of the debate until next week.

One of the values of this House is that if, for example, a technical weakness in a Bill is pointed out by an honourable member, that is welcomed. To delay the debate on the Bill until next week which is the last week of the session puts unreasonable pressure on the Legislative Assembly timetable. Members of the Legislative Assembly will receive Bills later than was anticipated and will have to deal with those as well as the Bills they are debating.

Hon. D. R. White — Are you suggesting they will be sitting after us? They won't be!

Hon. M. A. BIRRELL — Where no substantive point has been made on an issue of policy, the debate will not be deferred. The government would have no hesitation in extending the period of adjournment of the debate if a substantive issue on policy had been raised. If the opposition does not have a policy view on which it seeks to have the

debate adjourned, the reflection is on the policy process of the opposition, not on the timing of the resumption of debate on the Bill.

The PRESIDENT — Order! The question is:

That the debate be adjourned until tomorrow.

House divided on motion:

Ayes, 29

Asher, Ms (<i>Teller</i>)	Forwood, Mr
Ashman, Mr	Guest, Mr
Atkinson, Mr (<i>Teller</i>)	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr	Hartigan, Mr
Birrell, Mr	Knowles, Mr
Bishop, Mr	Skeggs, Mr
Bowden, Mr	Smith, Mr
Bridson, Mr	Stoney, Mr
Connard, Mr	Storey, Mr
Cox, Mr	Strong, Mr
Craige, Mr	Varty, Mrs
Davis, Mr	Wells, Dr
de Fegely, Mr	Wilding, Mrs
Evans, Mr	

Noes, 14

Davidson, Mr	Mier, Mr
Henshaw, Mr	Nardella, Mr (<i>Teller</i>)
Hogg, Mrs	Power, Mr (<i>Teller</i>)
Ives, Mr	Pullen, Mr
Kokocinski, Ms	Theophanous, Mr
Landeryou, Mr	Walpole, Mr
McLean, Mrs	White, Mr

Motion agreed to and debate adjourned until next day.

MILDURA COLLEGE LAND (RANFURLY) BILL

Second reading

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — I move:

That this Bill be now read a second time.

In the late 1800s substantial parcels of land in the Mildura irrigation area were assigned under trust by the Chaffey brothers to the government of Victoria for the purpose of establishing an agricultural school or college. Since that time the income from the leased land has been paid into the Mildura Schools

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Fund Trust for distribution to government schools in that region.

Honourable members will recall the amendment of two years ago that substantially increased the beneficiary schools of the trust to include all 22 government schools in the region.

The beneficiary schools, as listed in the schedule to the principal Act, are: Chaffey Secondary College, Irymple Secondary College and Mildura Secondary College, which comprise the part A schools; and Cardross Primary School, Irymple Primary School, Irymple South Primary School, Koorlong Primary School, Merbein Primary School, Merbein South Primary School, Merbein West Primary School, Merbein Secondary College, Mildura Primary School, Mildura South Primary School, Mildura West Primary School, Mildura Special Developmental School, Nichols Point Primary School, Red Cliffs Primary School, Red Cliffs East Primary School, Red Cliffs High School, Stewart Primary School, Sunnyclyffs Primary School and the Lake Primary School, which comprise the part B schools.

Since that time the then Department of School Education developed a new primary school in Mildura to serve the growing population of that city. The new school, named Ranfurly Primary School, will open to students for the first time at the start of the 1993 school year. The Bill will enable that school community to benefit equally from the trust funds with the neighbouring government schools. The amendment is to insert the name of the school into part B of the schedule to the Act upon which the distribution formulae provisions of the Act are calculated. Ranfurly Primary School will receive its first amount calculated from the funds received by the trust from 1 January 1993.

In the third quarter of 1992, the last for which figures are available, a total of \$128 597.50 was distributed to the beneficiary schools. The part A schools received half of that amount, which was distributed according to the formula of 50 per cent of the amount divided equally between the three schools and the remaining 50 per cent divided on a per capita basis between the schools. The part B schools received the other half of the amount, which was divided, according to the formula in the Act, on a per capita basis on the enrolment of each of the 19 schools.

I note with pleasure the support that this measure has received from my colleagues the Honourable

Ken Wright, formerly a member of this House, and the honourable member for Mildura in the other place.

The measure is also supported by the other school communities in the region, who welcome Ranfurly Primary School as a beneficiary of these funds. I take this opportunity of reiterating the offer of the previous Minister to have the distribution provisions reviewed during the forthcoming year, should such a review be requested.

I commend the Bill to the House.

Hon. C. J. HOGG (Melbourne North) — I am perfectly happy to debate the Bill forthwith. There is a wonderful feeling of nostalgia associated with the Mildura College Land (Ranfurly) Bill. I firmly believe one should not delay the passage of such a Bill if agreement can be reached on it.

In the period I was the Minister responsible for education I must have seen deputations from almost every school in Mildura and certainly from the City of Mildura and the Shire of Mildura. In 1988 there was considerable disagreement about the way the trust should be handled and funds disbursed.

At that time the community was divided, so it is therefore with delight that I discovered some 18 months later from my colleagues and from the legislation that the differences have been resolved to the satisfaction of all parties.

The opposition is delighted to support the Bill and speed its passage through the House.

Hon. B. W. BISHOP (North Western) — I support the Bill and I congratulate my colleagues the honourable member for Mildura in another place, my predecessor the Honourable Ken Wright, and the Honourable Ron Best. The Bill is the culmination of the foresight displayed by the Chaffey brothers in the late 1880s when they set aside land to be held in trust by the State to be used for education in the Mildura area. People in Mildura and surrounding districts welcome the decision.

Motion agreed to.

Third reading

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — By leave, I move:

That this Bill be now read a third time.

SUBORDINATE LEGISLATION (AMENDMENT) BILL

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In doing so I thank Mrs Hogg and Mr Bishop for their comments, and I share with them the feeling of both satisfaction and relief that the issues have been resolved and that it has been possible for all parties to reach agreement that the new school should participate in the excellent charitable bequest of the Chaffey brothers many years ago that is still providing a service to the people of Mildura and the surrounding district.

Motion agreed to.

Read third time.

SUBORDINATE LEGISLATION (AMENDMENT) BILL

Second reading

Debate resumed from 27 October; motion of Hon. M. A. BIRRELL (Minister for Conservation and Environment).

Hon. B. T. PULLEN (Melbourne) — The Bill makes minor technical amendments to the Subordinate Legislation Act and I understand they follow on from the work of the Subordinate Legislation Committee. The opposition does not oppose the Bill.

Motion agreed to.

Read second time.

Third reading

For Hon. M. A. BIRRELL (Minister for Conservation and Environment), Hon. R. I. Knowles (Minister for Aged Care) — By leave, I move:

That this Bill be now read a third time.

I thank Mr Pullen for his support of the Bill.

Motion agreed to.

Read third time.

GOVERNOR'S SPEECH

Address-in-Reply

Debate resumed from 28 October; motion of Hon. LOUISE ASHER (Monash) for adoption of Address-in-Reply.

Hon. B. A. E. SKEGGS (Templestowe) — It is with pleasure that I respond to the address by His Excellency the Honourable Richard E. McGarvie, Governor of Victoria, at the opening of the first session of the 52nd Parliament.

I congratulate His Excellency on his appointment as Governor of Victoria. That high office bears a tradition in the State and His Excellency will be a deserving recipient who will carry on the splendid tradition of the vice-regal office, as have so many representatives before him. His public record does the office proud.

His Excellency's address was forthright, a document which spelt out a blueprint for the future of the State, one which is important and necessary to bring about the recovery of our economy, a better way of life and full employment. His Excellency said that Victoria is open for business, and that is an appropriate slogan for this time. If ever a State needed to be open for business and wide open for opportunity, it is Victoria.

We must create a climate of confidence and employment growth. Parliament must be charged with that responsibility. The key objective must be to regain Victoria's former credit rating. The recent downgrading by Moody's has made that objective difficult to achieve, and many of the strategies that have been enunciated by His Excellency are therefore urgent. Among those strategies that are imperative to achieve is the objective of reducing the State's overall debt and unfunded liabilities.

Budget deficits in due time must also end if we are to restore fiscal health to the State. It is a matter of concern that the public sector debt is at \$61.5 billion.

Other key objectives outlined by His Excellency included a wider choice and flexibility in workplace conditions and a revamp of the Victorian education system to prepare people for a competitive atmosphere where technology and improved educational standards will play an important role.

His Excellency's Speech made it clear that the government wishes to establish competitive markets and aim for smaller government. It intends to reduce the number of government departments from 22 to 13. That will involve much movement within the system, but in the end it will be a more tightly run government.

His Excellency also said that another objective is to lower input costs and substantially increase private

investment. That will lead to greater integration of Victoria into the Asia-Pacific region. Our manufacturing capacity in the State has suffered and slumped dismally. Confidence has to be restored to enable business to invest in plant and expand employment opportunities if Victoria is to be an effective force in the Asia-Pacific region.

The proposed restructure of the education system will achieve a much higher proficiency rate in technology that will induce the Asia-Pacific market to look to Australia in the future.

The government's decision to appoint an Audit Commission under Sir Roderick Carnegie is most important because we need to have a factual analysis of where Victoria's finances stand and something on which to base our economic recovery. There is no doubt that the work done by the Nicholls review has been an important foundation for this work, but the necessary follow-up to this comprehensive review which will be undertaken by the Audit Commission is vital to our future.

Under this government the education system will set about re-establishing quality, and no doubt it will continue to be a fair system, ensuring that all people within it have an equal opportunity to get into the tertiary system, but we must also strive to encourage excellence if we are to have an impact on the Asia-Pacific region. It is vital that our standards in many areas of education improve.

It is through excellence and genuine achievement that Victoria and indeed Australia will increase productivity and the capacity to be relevant to its trading partners by providing expertise in technology and know-how. I believe there is a great deal of know-how in Victoria and that it will be encouraged through the program of educational reform. Education is the key, and if the Victorian certificate of education (VCE) is to be restructured, significant reforms are vital. Too many school leavers have missed out on tertiary places in recent years, and the plan to create an additional 2500 places in universities for 1993 and 2000 places for 1994 is a welcome initiative.

The VCE reforms will include an increase to 50 per cent in external assessment in English; separate English subjects to provide for students whose second language is English; changes in the mathematics curriculum to overcome cheating; a reduction in teacher and student workloads in year 11; the elimination of S and N reporting, and an additional score for each subject in year 12. Those

issues are quite crucial to the achievement of the reforms that were spelt out in His Excellency's Speech.

Library resources for VCE students are important. A 1991 survey of municipal libraries and student demand shows that 50.41 per cent of all municipal library information inquiries were made to satisfy the requirements of formal education and that 42.05 per cent of inquiries came from VCE students, 27.01 per cent from other secondary students, 12.29 per cent from primary students and 18.85 per cent from the TAFE and tertiary sectors of education. I cannot overemphasise the importance that properly resourced and funded libraries will play in the changes to the Victorian certificate of education and the future educational revolution that is so necessary for Victoria and Australia.

The government's new job initiatives have been designed to fund the creation by mid-1994 of up to 40 000 additional positions in private firms. Although that is an enormous task I am sure it is one to which the government is equal. The payment of up to \$2500 a year for new employees is the base for the strategy. It represents 10 per cent of the average wage, and the cost will be capped at \$160 million raised from asset sales. That will take some time to generate and achieve, but when it is achieved it will have a tremendous effect on employment in Victoria. It must be a source of hope for many of our young people who are seeking places in the work force and have not yet been successful.

The position of WorkCare is another vexed issue that must be addressed in Victoria. WorkCare has been a financial disaster and the need for urgent reform has been demonstrated by the new government in the Governor's Speech. Although it will generate some pain I have no doubt that the reforms are necessary and I hope justice will be observed at all levels in achieving the government's aim.

The annual WorkCare agency report shows that the scheme's funding level had slumped below 50 per cent. Although WorkCare had unfunded liabilities of \$1.9 billion, over the past six months under the former government the amount increased by \$200 million. The WorkCare report projected an operating deficit of \$244 million for 1992-93. The government will take early action to address that position.

Workers compensation costs in Victoria have been twice as high as costs in New South Wales. If

employment levels are to recover in this State the penalties on business and industry have to be relieved. If those employment levels are to be attained Victoria must take stronger action to ensure that workers compensation is kept within just but equitable boundaries.

The Governor's Speech says that the strength of the Victoria Police will increase by more than 1000 to 11 000, which will include the embracing of work done by former Transit Patrol officers in the public transport system. Such action will give greater confidence to people travelling on public transport. I have no doubt that the increase in police strength is most desirable to the future of Victoria.

I continue to have some concern about the planning area, particularly as to the viability of the Plenty corridor development. The scheme announced by the previous government envisaged an enormous commitment of money to establish the necessary infrastructure for such a large development. While the State is in the process of recovery it is obvious that funds of those proportions will not be available for expansions of the dimension proposed. It is important that the government carefully examine the whole Plenty corridor development, but it does not mean that it should not go ahead with the proposed Plenty Gorge park. That park will be an asset to the State provided it does not impinge too heavily on the rights of existing landowners in the area who, as a result of some of the planning amendments introduced, have been seriously affected. I hope there will be an urgent review of some of the planning amendments proposed for that development.

Apart from the financial aspects, there are some unfortunate developments relating to planning permits affected by proposed amendment No. RL141, which covers the planning schemes of 16 metropolitan municipalities. Amendment No. RL141 proposed to delete most of the provisions under which permits for a detached house may be issued on what are termed undersize lots in non-urban zones or landscape interest C zone areas. If the proposed amendment is adopted it will be a disaster. I hope the government will carefully examine the issue before it proceeds with further amendments. Planning is a sensitive issue to landholders in the areas for which change is proposed. Due to the current financial position of the State, developments such as the proposed Plenty corridor development should be put on hold until adequate finances are available for such developments to take place in Victoria.

Apart from that, the speech of His Excellency on behalf of the government gives great hope for the future for the people of Victoria. It presents a genuine vision for the future, which will be significant to younger people who have been seeking jobs. It also offers hope to the business sector, which for some time has been depressed by the unnecessarily restrictive policies of the former government.

In future the accent will be on freeing the business sector from much of the red tape it has experienced and from the harsh provisions that have made it difficult for small business operators to continue or to expand. We can look to the 1990s as the decade for recovery in this State.

Hon. G. H. COX (Nunawading) — I congratulate His Excellency the Honourable Richard McGarvie on his elevation to his present position. I also congratulate you, Mr President, on becoming the President of this Chamber. I wish you well in your new position, and I am sure you will continue the tradition of this Chamber and make a substantial contribution to the working of Parliament.

I shall address my comments in this debate to tourism. The Governor's Speech states:

Administration of the tourism industry will be restructured to provide for a greater commercial orientation at government level. A new board is being established with membership from the industry and there will be a new organisation, Tourism Victoria, whose charter will be to prepare long-term strategies for tourism development, promotion and marketing.

Strategies should be developed for the immediate and long-term future. The Labor government had lost its way in creating opportunities for people in the workplace. Many ad hoc decisions were made, some of which were not necessarily in the best interests of tourism development. With members of the coalition now taking up the government benches, I look forward with optimism to new developments in areas I have been studying in recent years.

Tourism provides a wonderful opportunity for creating employment for young people. It is pathetic that there are so many people out of work — the official unemployment rate in Victoria stands at 11.3 per cent. That unfortunately bears down on the hopes of young people, and it is devastating to hundreds of thousands of Victorians of all ages, particularly those under 25 years of age who are

attempting to establish themselves in the work force. Many people in their 40s and 50s are losing their jobs and they face the prospect of being unable to join the work force ever again.

Opportunities should be created for people to become independent of employment organisations and to create their own small businesses. I recently attended a function to welcome back from Canberra winners of Australia's tourism awards. I spoke to many young people involved in the tourism industry who were self-sufficient and doing very nicely. One young fellow and his wife organised successful golf tours while another young fellow and his wife organised horseback tours of the high country.

The tourism industry provides the opportunity for people to enter into self-employment, and the government's industrial relations proposals will provide wider choice and more flexibility in the workplace. Those proposals will provide an opportunity of rebuilding Victoria, particularly small business, on an internationally competitive basis.

Opportunities exist for young people to become involved in the tourism industry and young people are now optimistically looking for employment in that service area.

The government views education and training as essential for economic development, particularly in the industrial and small business sectors. That is where the greatest employment potential exists. I have visited many parts of the world, and I agree entirely with the government's proposal to create a new board to be known as Tourism Victoria. People in metropolitan and country areas already recognise the dramatic importance of tourism to the economic growth of this State. The government should create the right environment and atmosphere for the development of the tourism industry. The government's role is to provide ideas, information and so on; the industry does not expect more than that.

Many issues involved in the tourism industry are covered by the local government and planning portfolios. I am not suggesting that the rights of local government and planning authorities be taken away from them; I am suggesting that discussions should take place to enhance development. Regulations must be in place so that the natural attractions people come to see are not destroyed by them.

Tourism development in conservation areas requires careful management. In New Zealand recently I was made aware of the Kiwi Host training program which was originally initiated by the New Zealand government to train young people on how to be good hosts to visitors. It involves mainly young people and organisations involved in daily face-to-face activities with the travelling public. Those people do a 6-hour training course and then sit an exam. If they pass satisfactorily they are given a certificate and a badge which they wear proudly so they can be recognised by visitors. Visitors should receive courteous service and hospitality from those people while visiting a certain region or metropolitan area. Hotels and motels in New Zealand proudly display the Kiwi Host emblem on their letterheads and windows.

Through parent companies in North America, New Zealand is marketing a program to encourage people to visit New Zealand. For US\$1900 people can have a two-week all-found holiday in New Zealand. They are flown by Air New Zealand, given a two-week bus tour of both islands and provided with dinner, bed and breakfast. That kind of program could be made available in Victoria because there are many companies working in this State that have their parent company in other countries.

When I was in Great Britain last year I looked at the development of its tourist regions. Great Britain has been involved in developing tourism for a long time and recognises the value of tourists. It is amazing to see the number of people coming from the Continent to visit Great Britain. The information I collected in Britain will be of considerable value in the development of tourism in regional Victoria.

Although tourism in regional Victoria is established we must do more work in providing sophisticated services to travellers, particularly international travellers. Some municipalities are funding the development of regional tourism councils, but more work must be done to convince municipalities that they have a role to play in providing work in the tourism industry for local residents.

The promotion of bed and breakfast accommodation must also be discussed at length with metropolitan and country municipalities. Many people have said to me that they would like to be able to provide these services but have found difficulty in meeting the local health requirements for providing bed and breakfast accommodation for two or more people. It would not only be a service to tourists but would

also give many women who live alone and who own large premises the opportunity of generating some income for themselves and broadening their lifestyles by talking to people from other parts of the world.

A lot of work must be done in the packaging of holidays not only for locals but also for international visitors who are short of time and do not want to be standing in queues upon arrival in Australia. They should be able to make formal arrangements for their holidays before leaving home. I should like to see packaged holiday programs developed for various periods and readily available both in Victoria when tourists arrive or marketed to international visitors through inbound agencies.

Melbourne is now a large city and a number of people would appreciate not having to take the car out of the garage but would prefer to be picked up by a car, taken to the railway station before embarking on a trip to the vineyards or the northern parts of the State, and then brought home. Such tours, if packaged successfully, would be sure to become popular because people like to pay their money upfront and not have to worry about it for the rest of the weekend.

Three-star accommodation in Melbourne should also be developed. An enormous amount of that type of accommodation is available but is not used. We all know that small corner hotels have bar and lounge facilities but that the upstairs accommodation is seldom, if ever, used. It need not be costly to bring this accommodation up to a standard where it could be used; not everyone requires en suite facilities as part of their accommodation, and some people are willing to walk down the hall to the bathroom so long as their accommodation is adequate and clean. There are over 6000 beds in the metropolitan area that could be made available to travellers.

I have also recently read a report on providing services for backpackers. Although we may think of backpackers as people looking for minimal cost accommodation, when I was in New Zealand I discovered a group of gold card backpackers. They are relatively wealthy and come from Europe, mainly the Scandinavian countries, Germany and Switzerland, and they choose to backpack and hike in the high country of New Zealand.

Now the government is examining a program for the Victorian high country. Recently the Victorian Tourism Commission published a booklet entitled

Summer in the Victorian High Country. The publication emphasises that tourists can ski in the high country and stresses the opportunities available for hiking and horse riding. Victoria has the opportunity of promoting the Victorian high country hiking tours to attract tourists during the European winter, and to provide facilities and services for residents of the Northern Hemisphere during its winter.

Much work must be done in the tourism field in Victoria. Only now are we starting to realise that tourism can be a high income earner for the State; more importantly, it will provide the opportunity of a start for young people into the work force. Not everyone will continue in the tourism area of endeavour; for example, many start in the catering industry and move on to other areas. It is important that we give young people the opportunity of making a start in the work force. The service industry is one of those areas.

As part of the government committee promoting tourism, I intend to become actively involved in assisting with the development of tourism. In mid-November the first of four charter flights from Tokyo will land in Melbourne. Its passengers will visit Victoria to inspect the types of facilities and services provided here for tourists. I optimistically look forward to the arrival of those visitors, and to developing our tourism services. I have enormous enthusiasm for the four years ahead and for the development of tourism in this State.

Hon. K. M. SMITH (South Eastern) — It gives me much pleasure to contribute to the Address-in-Reply to His Excellency the Governor's Speech on the opening of the 52nd Parliament. I congratulate His Excellency on an excellent Speech, in which he presented the policies and plans of the incoming Kennett coalition government.

It was interesting to listen to His Excellency's Speech. It was difficult to remember precisely the Speech delivered four years ago by the former Governor, Dr Davis McCaughey. Dr McCaughey's Speech contained completely opposite views to what was presented last week; that was due to the change of government.

The Speech delivered four years ago referred to proposals to be implemented during the life of the 51st Parliament. I have reflected on the words put into His Excellency's mouth by the previous government. I realise what an absolute failure the former government was, because it was unable to

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achieve anything close to what it had originally sought to do.

Some of its promises were to get the economy in order, improve unemployment, make changes to the building industry, and make Victoria stand on its own two feet. The former government planned not to have the same borrowings. In His Excellency's Speech the then government said it would return to the same health services which had existed when it took over from the Liberal government and which the honourable member for Coburg, a former Minister for Health, said were the best in Australia. All the promises of the former government failed; every one of them fell over! It is unfortunate that at the time Dr McCaughey was given such misinformation by the government, and was forced to deliver that Speech in this House.

It gave me pleasure to listen to the new Governor delivering promises on behalf of the Kennett government. These promises had been delivered to Victorians in proper policy form and were available from offices of all coalition members and from any coalition candidate in the State election. Dozens of policies were delivered by the coalition; I am sure some honourable members opposite would have got hold of them and said, "What fantastic ideas, I wish we had thought of them". They would have said, "If only we had adopted some of these wonderful ideas put forward by the coalition," but it was too late. There was no way known the Labor Party could do anything positive.

Hon. W. A. Landeryou — Mr Deputy President, I draw your attention to the state of the House.

Quorum formed.

Hon. K. M. SMITH — At least now there are more in the House to listen to such wonderful words of wisdom!

Before I was rudely interrupted by Mr Landeryou —

Hon. W. A. Landeryou — No, by the forms of the House.

Hon. K. M. SMITH — The government is now open for business in a big way. Now it will be able to address the problems surrounding the unacceptably high levels of unemployment, because it will promote Victoria properly.

I visited New South Wales last weekend; I heard many people there reflecting on the state of things in Victoria, on its poor condition and on what a great job the coalition will do. I felt proud about what is to happen here. People in New South Wales were deeply concerned about our economy, but they know things will improve.

The government will establish a very professional education system, and will not have the one that the former Premier, the honourable member for Williamstown, instituted when she was Minister for Education; that system brought everyone down to the lowest common denominator. Kids were not given the opportunity of striving for excellence.

Now we will give numbers to the kids of Victoria. They will get scores when they put their work on paper — not an N or an S but a score — perhaps 85, 90 or 95 per cent. One hopes that our kids will finally obtain some recognition for the hard work they put into their studies.

Students will not be kept up until 2 a.m. doing meaningless tasks set for them according to the education policy of the former Kirner government. They were not recognised for it anyway because I do not believe an S or an N was good enough recognition for the hard work involved.

This year my son Nick has been working on the first year of his VCE. I did not understand the complexities of the VCE until I saw this young man of mine — and he is a fine young man — spending many hours on it, often until as late as 11 p.m. or midnight each night.

He comes home from football or cricket training and goes straight into his homework. He works all Sunday in an office we have set aside for him — it used to be my office but I don't even get in there any more — typing up all his work so that he can make a proper presentation. To think that all he would ever get for his efforts is an S or an N is appalling.

The Liberal government will improve that. The coalition will recognise the work of these young students. We will drag them back from the depths into which they have been plunged by Mrs Kirner and her socialist government.

Another important issue that the government mentioned was the re-establishment of Victoria's AAA rating.

Hon. W. R. Baxter — What is it now?

Hon. K. M. SMITH — It is so many points down we have to do a day-by-day count. That is how bad it became under the previous government. Recently it reached the stage where it was so bad that the credit ratings agency dropped it two more points. Our rating plunged so far down that it was worse than it has ever been in Victoria's history. The previous government was prepared to drag Victoria down. The same can be said for its Federal counterparts. That is what led to the disgraceful performance of the State's former Treasurer and Premier and the Federal Treasurer in their illegal borrowings that were outside the limits by \$1.2 billion. I cannot help but wonder whether there are any more to come. One could not help but see the former Treasurer, Mr Sheehan, standing outside the back door of Parliament House talking to the press and trying to make up excuses for his poor performance and for the lies that he told in Parliament in the other House about where Victoria's economy stood.

Victoria is in a disgraceful position but at least with a coalition now in government there is some hope for the future, and Victorians of the future will be pleased to see that the Liberals rather than the socialists are in government.

We will do great things for Victoria. We will be looking at a smaller and more responsible public sector. A lot of debate has taken place with regard to the number of employees leaving the public sector in the not-too-distant future. The press and the Labor opposition seem to forget that they were also crying out for cutbacks in the public sector.

The Liberal opposition was always crying out that the Labor government needed to get rid of some of the public sector employees, and one can understand the problems it had. The Cain-Kirner administration increased the number of public servants by somewhere between 36 000 and 40 000. The Liberal government is the only government with the courage to do anything forcefully to ensure that that happens.

Not only will public sector staffing numbers be reduced but the government will also ensure a more responsible public sector. Nothing makes me more angry than to have my constituents come into my office and say, "I have been trying to get through to this particular government department and I cannot get an answer or they say no to me". As a member of Parliament, when I telephone I can immediately get through to the head of the department and the problems of my constituents are suddenly resolved.

I find the bureaucrats are accountable to me because I say I am Ken Smith, member of Parliament.

It is appalling. My constituents are the ones paying for these bureaucrats to sit on their behinds making decisions. It is high time that the bureaucrats became responsible and accountable for their actions in dealing with the general public.

In the Governor's address he spoke on a number of important issues, some of which I have already mentioned. The previous government keeps mentioning the way the incoming government intends increasing the number of Ministers. That is certainly true. The Ministry will go from 18 to 22 Ministers. However the opposition seems to ignore the reduction in the number of Ministries from 22 to 13. That is important in understanding the hierarchy and the way the Public Service is set up. A number of people work for each of the Ministers and there were a number of directors-general who did all the running around and had control over the weaker Ministers in the previous government.

The new administration will have far fewer directors-general and far fewer secretaries and Ministerial advisers. The new government should be congratulated for its initiative in shrinking the hierarchy and the number of directors-general and making them more responsible and more accountable.

Criticisms have been made by the opposition about the salaries paid to those people. It is the old story: if you pay peanuts you will get monkeys. We will be a responsible government. We have to employ the right people to carry out the tasks that we will set, and they will not necessarily be pleasant tasks but somebody has to make the hard decisions and follow policy directions. We believe in appointing the very best people to those positions; they will be accountable, as all employees in the the Public Service should be accountable.

We have also said we will abolish the Public Service Board. The unions were absolutely screaming about that. The previous government screamed about our wanting to get rid of the Public Service Board.

I think that is the best thing that could possibly have happened, as is the Attorney-General's proposal to get rid of the Law Reform Commission. Those two groups have been servants of the government but they were given directions that were not necessarily in the interests of Victoria. They made decisions that made our lives more miserable than they should

have been. We will establish groups of people able to judge matters independently and not at the direction or whim of Ministers, as has been the case up to now.

I serve on a number of committees. One is the small business committee, and it gives me great pleasure to be convenor of that committee. Small business in Victoria will be the means by which Victorians get back to work. Some 280 000 people are out of jobs in Victoria, and it is time for a change.

Victoria is open for business and the responsible Liberal government is prepared to support small business. We will get people off the unemployment lists and back to work. I am sure many people out there want to be back in the work force; they want to be able to put out their hands on Thursdays to collect their pay packets or go to the automatic teller machines to see how much money has been deposited in their accounts. We want them back at work and I am sure many of them wish to be back at work.

We are prepared to put our money where our mouths are, without giving money to the Trades Hall Council to employ a few lazy trade union people. Money has been going into the pockets of trade union officials or occupational health and safety officers, who are pulling probably \$60 000 or \$70 000 a year each. But perhaps the money was just filtering back through John Halfpenny and his cronies up there in Lygon Street and back into the Labor Party for the last election campaign it ran in Victoria on 3 October.

Millions of dollars have been pumped through the Trades Hall Council to pay for television advertisements and pamphlets used during the election campaign. It is good to see that Mr Power has come back into the Chamber.

Victoria is \$61.5 billion in debt. That is billion with a big B! The government must address that debt. This morning the opposition moved a motion condemning the \$100 levy on each property by the government. Members of the opposition are hypocrites; the motion was appalling and in poor taste. It is difficult to believe that any member of the opposition would be idiotic enough to move such a motion. The motion was lost on the numbers. However it gave members on the other side an opportunity of mouthing off about the things that the former government achieved; they also took the opportunity of criticising what the present government intends to do to address State debt.

One of the measures the government plans to take to address the State debt is to increase motor registration fees. It was the former Cain government that promised — or was it a pledge? — when it removed motor registration fees that that impost would not return, but the former Kirner government broke that promise. It introduced a registration fee of \$70, and now this government has increased the fee to \$140 to claw back some of that \$61.5 billion that Victoria is in debt.

We do not look forward to the taxes that are to be imposed by our government. If the former government had had the courage to face up to the fact that Victoria was going broke and if it had imposed higher taxes, Victoria would have been in a better position. If the former government had had the business expertise or the brain power to make better decisions, Victoria would have been in a better position. A litany of disasters is the responsibility of former Treasurers such as Jolly, Roper and Sheehan. They are the reason why we are in this dreadful situation.

The government has commissioned an audit to examine the accounts, unlike the former government, which denied the Auditor-General access to all the facts. This government will place the findings of the audit on the table. I am sure Mr Power, and Mr White, who is leaving the Chamber — I cannot understand why Mr White does that every time I get to my feet; I wanted to talk about the half-truths that Mr White spoke of last week: Mr White, do you want to come back?

Hon. Licia Kokocinski — It is too exciting!

Hon. K. M. SMITH — Mr White has spread rumours and misinformation about the Parliamentary refreshment rooms. He gave information that was not true to Neil Mitchell of 3AW. He gave lies to the newspapers.

The PRESIDENT — Order! Mr Smith should rephrase his comments.

Hon. K. M. SMITH — I am happy to do that. Mr White does not know how to tell the truth. Last week he did that well. He said that between \$200 000 and \$500 000 was being spent in the dining room on silver, new linen tablecloths and so forth.

Hon. W. R. Baxter — It is the same as the silver and linen that I was using 20 years ago.

Hon. K. M. SMITH — Those who need to be reassured should look at the pile of patched tablecloths in the dining room. They have fallen apart because the former government was too busy throwing money at the trade union movement. From time to time new cutlery and linen is required because it is stolen — probably by visitors brought in by members on the other side. I withdraw that, because I can see Ms Kokocinski raising her eyebrows. The truth is that we pay for our meals. To say that members' meals are subsidised is not the truth. Honourable members know that we pay a high price for our meals. I do not mind paying that price, but I object to what we must pay for what we get, which is the result of cuts made by the former government. Mr White has given the impression that these things have happened under the coalition government. Mr White brought Neil Mitchell's producer in here for lunch last week. Mr White got a menu from the dining room staff and gave it to the producer and then Neil Mitchell said a lot of rubbish on radio. It is a disgrace. Mr White stands condemned because not only is he denigrating the new government but also he is denigrating Parliament.

Some people might think when they look at members of Parliament that we are living like fat cats. I am sure that some new members believed that before they entered Parliament. They are in for a shock. It is not as good as they thought. Mr Power would have done better at the trade union canteen, which probably has subsidised meals.

Hon. Pat Power — Socialised meals!

Hon. K. M. SMITH — I turn now to the problems with WorkCare. It has been interesting during question time to see members of the former government attacking the Minister for Regional Development, who is responsible for WorkCare. Some of the questions seemed to suggest that all the problems of WorkCare were created by the Minister, rather than by the former government. Mr Theophanous said that the WorkCare debt was only \$2 billion, when it used to be \$4 billion. The only reason the figures have improved is because business has been sluggish. Business is paying for WorkCare. It was not smart of Mr Theophanous to get stuck into the Minister, who has been responsible for addressing the problems of WorkCare — we will be calling it WorkCover.

We will look after the people who have been genuinely hurt in the workplace. We will be encouraging their rehabilitation to get them back to

work as soon as possible, but the bludgers will be looked after also! Parasites such as the lawyers who are bleeding WorkCare will suddenly find their pool of money has dried up. The greatest hypocrite and parasite is Peter Gordon, who is a member of the Society of Labor Lawyers — he is probably the president. During the weekend and yesterday he was reported on television saying that the government was going to deprive the people of their rights. The government will be giving these people more rights than they had before. They will have an opportunity of getting something back because of the injuries they have suffered, but we are going to cut out the rorts by Mr Gordon and his mates. I can name a few others such as Maurice Blackburn.

Holding Redlich is also involved — how many more do you want? I am prepared to name the parasites that are responsible for the \$2 billion debt. I also name those doctors who write out WorkCare notes for workers who are not genuinely injured — taking \$40 or \$50 every time they do.

Hon. Pat Power — The AMA has a lot to answer for.

Hon. K. M. SMITH — Mr Power understands that although genuinely injured workers should be looked after, parasites should not — and they will not be looked after in future.

Hon. D. T. Walpole interjected.

Hon. K. M. SMITH — When you read our policy, if you have not already done so, you will see that the government will look after them — unlike the previous government, which simply raided the blood bank and sucked the money out of businesses.

The government will address the problems created by the previous government. In the lead-up to the election I had the privilege of chairing the coalition's industry for Victoria task force. We were given the responsibility of examining projects which, for one reason or another, had been stalled by the previous government. In one instance I discovered a small business project that had been stymied by bureaucrats and Ministers for seven and a half years. In the course of two months I received correspondence from the heads of 37 projects which the government had prevented from going ahead but which will be given the go-ahead by the Ministerial Council set up for just that purpose.

In my first week as chairman I examined projects which could have created jobs worth more than

\$1 billion but which the government prevented from going ahead without good reason. I can see by the dazed look on Mr Nardella's face that he is shocked by the extent of the projects his mates knocked back.

Hon. D. A. Nardella — Probably for good reason.

Hon. K. M. SMITH — You are as shocked as I am. The government will also improve the running of Victoria's ports by introducing competition — much to the disgust of the opposition. Despite having had every opportunity the previous government was both unwilling and unable to introduce reforms because of the intransigence of its union mates, who were unwilling to make the necessary sacrifices. Of great interest to me is the reform of the port of Hastings.

Hon. D. A. Nardella — You don't know what you are talking about.

Hon. K. M. SMITH — You will have the opportunity to get up and talk. Have you had an opportunity yet, Mr Nardella?

Hon. D. A. Nardella — Not on this aspect.

Hon. K. M. SMITH — Come on! You will have an opportunity to get up as soon as I have finished. The government will do something for the port of Hastings by cutting its ties with the Port of Melbourne Authority. We will create a viable port, which will increase job opportunities in the Hastings area. That process has been held back because of the government's failure to provide money to enable the completion of the Dandenong-Hastings Road. Further, the extension of the standard gauge rail line to Hastings will enable all sorts of things — equipment, grain and woodchips — to be sent directly to the port. The government will make things happen in Hastings. I am sure Mr Nardella will be aware — he seems to know everything else — of the unemployment problem in Cranbourne and along the Mornington Peninsula.

Hastings is the best deep water port in Victoria. It is close to Dandenong and Gippsland, as well as to other developing areas. Western Port is in no danger of being ruined by the government's enabling the port to run profitably, which, as I said, will create jobs. The previous government could have introduced reforms to make the port run efficiently and profitably, but it was not prepared to tackle the inevitable industrial problems it would have encountered.

In the four years of the 51st Parliament I served on the Public Bodies Review Committee. One of the references given to the committee was to examine the effects of corporatisation on public sector organisations. When the 12 of us sat down to begin our inquiry under the chairmanship of Mr Landeryou, none of us knew what corporatisation meant. Corporatisation had to be explained to me in the simplest of terms — as it did to other members of the committee.

In the 12 months of the inquiry the committee considered every aspect of corporatisation, after which it produced a fine report. Because I support privatisation I should have liked the inquiry to have gone further, but events overtook it.

The Public Bodies Review Committee examined the ways in which the State Electricity Commission, Melbourne Water and the Gas and Fuel Corporation would benefit from corporatisation. Once those bodies are corporatised, certain aspects of their operations may be privatised — but only if the public will benefit. Why the dickens would the government establish a privately owned monopoly to replace a publicly owned monopoly? Of what value would that be to the people of Victoria? If it can be proved that privatisation is efficient and effective, the government will be prepared to make the necessary changes. In short, privatisation will occur only when it is proved to be of benefit to all Victorians. But the government has the opportunity to introduce competition into the electricity industry.

In the early days of the Public Bodies Review Committee's inquiry into the corporatisation of the State Electricity Commission I had to ask for an explanation of the prevailing work culture, because I did not understand it.

Hon. D. A. Nardella — You probably still don't.

Hon. K. M. SMITH — As we continued our inquiry into the operations of the commission we saw evidence of the problems caused by that culture. When the government brought in people from outside the SEC to introduce changes, the effect was amazing. Because they were not brought up in the culture, outsiders were not hampered by the problems caused by it.

The SEC has been in operation for a long time. Most employees of the commission have lived and worked in the Latrobe Valley all their working lives — as their fathers and grandfathers did before them. They know of nothing else. I do not say that to

criticise them; they simply do not understand the problems created by the culture that has developed. They do not question that two people are needed to change a light globe or work on a dredge because it has always happened that way. Jobs have been handed down from grandfather to father to son; and the culture that has developed has cost all Victorians a great deal of money. Despite a reduction in the work force from 22 000 to 14 000 the lights still come on and the motors still run when we turn on the switches.

We have to continue making cutbacks, and that may be done through changing from the public sector to the private sector. People do not have to lose their jobs; they may be employed in other areas. At least it will be an opportunity for those people to have jobs. They will be working for a private contractor who will supply electricity to a grid. Victorians will be the beneficiaries of those changes. If we work at it properly and are competitive enough, we may find ourselves selling electricity to New South Wales or South Australia or, if we can connect a cable underwater, we may even supply electricity to Tasmania. It is important that people understand the changes we are making as far as privatisation and corporatisation are concerned. They will benefit all Victorians and not just a select few.

As I mentioned before, the unemployment rate in Victoria currently stands at 11.3 per cent with about 280 000 Victorians out of work. We want to get those people back into jobs. We were positive and truthful in what we said before the election. A payment of \$2500 a year for new employees, the equivalent of 10 per cent of the average wage will help in employing young people.

A lot of people were thrown on the unemployment heap by the previous government, and they must be put back to work; there have to be jobs for them. The government will help get them back to work by paying employers \$2500 a year for each new employee. The cost of that scheme is \$160 million and it will be met from asset sales. But that money will not create all the jobs we would like it to.

We believe that once the decrease in unemployment starts it will be like a snowball rolling from the top of a hill: more people will start to work; when they have jobs, they have more disposable income and they will buy more goods, which creates more jobs. We are prepared to put money into this, unlike the previous government, which was only prepared to pay money to the trade union movement. We are

prepared to put money into the pockets of people who really need the jobs.

An Honourable Member — This is another recycled speech. Next you will join Greenpeace.

Hon. K. M. SMITH — I should ask to have that withdrawn; it feels like an insult. I will not demand anything at this stage, but if it happens again there will be trouble.

The government has been criticised even today by Mr White for allowing only a three-week session of Parliament in which to get through a lot of legislation. On 3 October the people of Victoria voted for a new government to make changes. One thing they cannot say about the government is that it has not acted quickly. The former Premier did Victoria and the coalition a favour by staying in government as long as she did; it gave us the opportunity to have our Bills all set to go so that we could introduce them in this three-week session of Parliament.

The next three weeks will be the most dynamic and exciting time in Victoria's history; we will make the changes that the people of Victoria showed they wanted us to make by voting for the coalition on 3 October. We will deal with the legislation in the best possible way. If members of the opposition in this place want to follow their colleagues in the other House — making inane speeches on whether something should happen, speaking for hours on end on motions to adjourn debate on Bills, saying that they want to have their say about the changes and explaining why they do not agree with them — if they want to carry on like Mr White has today, the House will probably get up at the dinner adjournment tonight and not come back.

The Leader of the Opposition, Mr White, will not allow the House to debate the shop trading legislation today, and he made some silly suggestion that it should be discussed for a week or so. The opposition has known about the legislation at least since the election — it knew at least a month or two before the election that the coalition would be making changes. Why does it want to discuss those changes? It could not have much to talk about. The Labor Party would have to have factional meetings. The party has three factions, and those groups would have to meet as one. Caucus would then have to meet and there would be discussions as to whether John Halfpenny wanted to change anything. We should discuss opening the Trades

Hall on a Sunday. John would have a heart attack and do us all a favour — he would keel over!

The Kennett coalition government is prepared to make changes; it is prepared to make the important decisions for the people of Victoria and to give those people the opportunity to work if they want to. We will cut out the rorts of the parasites that have been bleeding our system dry, those who have been bleeding WorkCare dry. We are not prepared to do the stupid things done by the previous government; we are not prepared to waste money.

I conclude — the opposition will be pleased to hear that — by saying that it was a great pleasure to be in the House when His Excellency the Honourable Richard McGarvie, the Governor of Victoria, opened the 52nd Parliament. I congratulate him on spelling out the government's policies and future hopes for Victoria. The Speech will give the people of Victoria some opportunity of understanding why changes are being made. I congratulate you, Mr President, on your appointment to the chair. It is excellent that we have an opportunity of discussing our hopes for the future and the needs of our respective electorates, particularly as they relate to the address given by the Governor.

Hon. G. P. CONNARD (Higinbotham) — I join with my colleagues in responding to the Speech by the Governor, His Excellency the Honourable Richard McGarvie. I offer my felicitations and those of my constituents of Higinbotham, and I ask the Governor to convey those sentiments to Her Majesty Queen Elizabeth II. Although the address is a traditional message, the Governor was thorough and sincere. It was a first-class address because it clearly outlined the intentions of the government, the Liberal-National party coalition. It was a serious address. It pointed out many things, one of which I shall comment on. Page 7 of the public edition of the Governor's Speech states:

In short, my government inherited grave economic and social problems and is now ready to begin the task of rebuilding.

Before I turn directly to the points made in the Speech, I shall make some comments concerning the Parliament. Every year for which I have been a member of this place I have made some remarks about Parliament and the importance of its independence from executive. In the 10 years I have been here I have annually pointed out that most governments in the Western World operating under the Westminster system have realised that there has

been an attack on the integrity of the Parliament by executive governments. Fewer liberties for independence of action are given to members of Parliament, and that is the case more often in small Parliaments such as that of Victoria rather than in the larger Parliaments in Ottawa or London.

Hon. B. W. Mier — Mr President, I direct your attention to the state of the House.

Quorum formed.

Hon. G. P. CONNARD — Before I was so rudely but perhaps necessarily interrupted by Mr Mier, I was commenting on the fact that over many years the integrity of members of Parliament under the Westminster system has been under an attack. Certainly comment has been made on that in this House by me and by members of the opposition who were in the last government. In the last Parliament, it was agreed by the three parties and both Houses that a Joint Select Committee on the Parliament of Victoria be established. I comment on the three reports of the committee, which comprised in this House: Mr David Evans, Ms Kokocinski, Mr Landeryou, and me; and, in the other place, Mr Cole, Mr Cooper, Mr Delzoppo and Mr Mathews. The issues raised by the members of the committee were extremely important.

In its first report to Parliament the committee advocated that a separate Appropriation Bill be introduced for Parliament. It is critical to the government of a democracy that such a Bill be introduced. The members of the committee recommended that the five committees under the former government — that are now forecast to be nine — receive their appropriation from Parliament rather than through funding arrived at under a joint arrangement between the Presiding Officers and the Treasurer, as happened under the previous system. The Treasurer could control the operations of Parliament because he had the power of the purse.

I acknowledge the work of the former government in that for the first time a separate Appropriation Bill was prepared for Parliament. That work has been carried through by the coalition government and the Appropriation (Interim Provision, Parliament 1992-93) Bill was debated and passed last Thursday. It is interesting to note that it is a separate Bill and that was the first time such a Bill has been passed for an appropriation for Parliament. The other Bill that was passed, the Appropriation (Interim Provision 1992-93) Bill, was for the normal purposes of government and included an appropriation of

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\$14.471 billion, while the appropriation for Parliament was for \$25.309 million, and represents a step in the right direction. It reflects the acceptance by the Labor Party and the coalition government of the first recommendation of the Joint Select Committee on the Parliament of Victoria, as contained in its report of November 1991.

I refer to the Constitution Act 1975 which the members of the Select Committee recommended be amended so that the necessity for the presentation of a Governor's message no longer applies to an appropriation for the purposes of Parliament. It is particularly important because the result will be that Parliament can determine its own appropriation and will not need to go to Cabinet for that purpose. That has not yet been achieved.

I invite honourable members to consider the reports of the joint Select Committee, issued in November 1991 and April and May 1992. In the first report, where the parameters were laid down, it was recommended that the expenses for Select Committees, which have not yet been put in place, be listed under a separate line item in the Appropriation Bill for Parliament. The Bill should include also line items for the recurrent expenditure of each of the Parliamentary departments. Honourable members will note that the Bill passed last Thursday has an appropriation for a blanket sum of \$25.309 million, and does not extend to line items.

The joint Select Committee also recommended that estimates be included for members' salaries, Parliamentary committees, Parliamentary printing, support services to members, and buildings and grounds maintenance. Historically members' salaries and allowances have not come under the general Parliamentary appropriation; they have always been a matter for the Treasurer. I do not advocate that Parliament should increase or decrease Parliamentary salaries; that is certainly a matter for the government and that was the view expressed by the joint Select Committee.

Finally, and most importantly among the recommendations, the joint Select Committee advocated the establishment of a joint Parliamentary Service Committee to undertake a supervisory and overview role of the Budget preparations. That has not yet been agreed to.

I am firmly of the view that another committee should be formed to take up the issues of the Parliament of Victoria Committee and its

appropriation. I remind honourable members that the Joint Select Committee on the Parliament of Victoria was established to make recommendations on the independent report to the then Presiding Officers, Dr Coghill and Mr Hunt, prepared early in the last Parliament by Messrs Foley and Russell. Much work needs to be done. The Appropriation Bill passed last Thursday provides merely for a sum of money. The Bill relating to Parliament should be designed so that members of the public and of the House are aware of what is spent.

Honourable members will remember the trouble that was caused when the Treasurer in the previous government tried to restrict funding to certain sections of Parliament. He succeeded in some of what he sought to achieve and failed in other aspects.

Parliaments throughout the Western World, especially in major countries such as the United Kingdom and Canada and in several provinces including Quebec, are addressing the problem. When I visited British Columbia in June this year I was attracted to the system its Parliament had in place. It has control of not only the funding of each of its several departments but also select areas such as the Parliamentary refreshment rooms. It provides a subsidy for its refreshment rooms and gives an explanation of why the subsidy is given.

The same applies to *Hansard*. The Parliament in British Columbia has a line in its appropriation that shows the public what *Hansard* is doing. In fact, it provides a detailed expenditure list of every aspect of Parliament. That makes it easy for the Parliament to explain the expenses of Parliament to the public. Its expenses are valid but, like all things in a free society, not only must it be valid but it must be seen to be valid. I am pleased Mr Davidson agrees with me.

Hon. B. E. Davidson — I certainly do not. There is no need to tell the public about the expenses of Parliament.

Hon. G. P. CONNARD — Mr Davidson is obviously ashamed of his life in this place and he wants to keep facts and figures hidden. Undoubtedly one of the reasons his government got into such terrible trouble was because it kept facts and figures to itself. That is typical of Mr Davidson's approach. I believe my colleagues on this side of the House are not ashamed to show the figures to the public.

It is important for Parliament to produce its appropriations so that the public can see what they are and so that Parliament can debate the Appropriation Bill applicable to it. I encourage the Presiding Officers — perhaps not in this short sessional period but in the next sessional period — to consider establishing a committee similar to the Parliament of Victoria Committee which can advance, firstly, the matters raised in the report to which I referred earlier and, secondly, the ideas and thoughts of a joint Select Committee on the Parliament of Victoria.

A warning should be given. One of the things I do not agree with in the British Columbian Appropriation Bill is the requirement in clause 4 that the Presiding Officers must take note of the decisions of the committee responsible for the production of the Appropriation Bill for Parliament. I do not think that would work because Presiding Officers must be trusted; they must have independence and impartiality to develop and look after Parliament. In the 10 years I have been in this place I have had complete faith in the Presiding Officers who have filled those positions during that time. They have acted independently and impartially, especially with money.

I shall make some brief comments about Higinbotham Province. It has the second largest light industrial area in the State. As I have said in previous debates, my province has been distressed by the number of factories that have closed over the past four years due to the ravages of the Labor Party administration. Three months ago I surveyed the area and found that 25 per cent of factories in Moorabbin East — —

Hon. B. E. Davidson interjected.

Hon. G. P. CONNARD — Mr Davidson probably drives through that area occasionally but I think he has lost touch with the workers. In Moorabbin East 25 per cent of factories have closed down because of the ravages of the Labor Party over recent years. Even if one shrugged that off, that is not the end of it because small businesses and shopkeepers in Bentleigh and Mordialloc are closing their doors. A massive vote was given to the coalition at the last election simply because the community can no longer wear the ravages of the Australian Labor Party.

Hon. B. E. Davidson — You are making the changes; they are being swallowed up.

Hon. G. P. CONNARD — On the contrary, Mr Davidson, it is a matter of bankruptcy. Mr Davidson obviously is not aware of what is happening in his province where the same thing applies, although his province does not have the same high factory content. Big business is not swallowing them up; their bankruptcies have been caused by high interest rates, colossal taxes imposed by the Labor government without reason and the explosion in the number of public servants. That has to be paid for resulting in high taxes and charges and that has put people out of work. Obviously Mr Davidson is not aware of the areas through which he travels.

Unfortunately the coalition has had to introduce draconian measures because it cannot do anything else. It would have been easy for the Labor government to govern well when it came to office in 1982 with reasonable capital resources and a reasonable income. The trouble is that it did not govern well or frugally and, as was pointed out in the Governor's Speech, it has caused a State debt of \$61.5 billion.

Some of the steps taken by the coalition government are simply administrative changes. The number of government departments has been reduced from 20 to 13. The government will abolish the Public Service Board and put in place a commissioner so that employees will be able to appeal against decisions made about them. Despite the screaming of the opposition, we will move to a direct line of accountability by department heads and protection of employees by the appointment of a Public Service commissioner. The opposition should be in fear and trembling of the results of Sir Roderick Carnegie's audit when he produces his statement in six months because it will clearly show to the people what has occurred. We know only a little of what has occurred; we know State debt is a minimum of \$61.5 billion.

Hon. B. E. Davidson — That is wrong. Where do you get that figure?

Hon. G. P. CONNARD — From the Governor's Speech. Call him a liar, if you dare. Without doubt the Kennett government wants more competitive markets, smaller government, lower import costs — because that is the key to increased private investment — and more integration into the Asia-Pacific Basin economies. Although our traditional trading partners have been and will continue to be the United Kingdom and the United States of

America, our future economic development will be in the Asia-Pacific area.

It has been important to take these draconian measures. Although opposition members will scream about our industrial relations measures I regret that there is no other way of seriously tackling the matter other than by attacking the industrial relations system set up by the Labor government.

The appointment of committee after committee, with no resolution of industrial relations matters after 12 months, was a crying shame. That situation must be reversed. Direct negotiations must take place between employers and employees, with appropriate provisos to protect workers against arbitrary rulings by employers. Those matters are provided for in legislation currently before Parliament.

I regret that it is necessary to reduce the number of public servants. I do not believe public servants are lazy, particularly those in the upper echelons of the Public Service, but many of the programs on which they work are a waste of money and endeavour. Many programs in the Department of Health and Community Services, formerly Community Services Victoria, are wacky programs that do not perform the function the department is supposed to perform of assisting unfortunate people who have experienced difficulties in their lives.

Hon. D. A. Nardella interjected.

Hon. G. P. CONNARD — If the honourable member would like to visit the southern suburbs I will take him down to the regional office of the Department of Health and Community Services and walk him through those programs. Many excellent people work there but their time is taken up with collecting statistics rather than doing casework concerning child and family intervention, which is what the department is supposed to do.

The last time I counted, 94 people were employed at the regional office of the department located in my area, only a handful of whom were engaged in casework. There is an urgent need for casework to be done; data collection by middle-management staff is a waste of resources.

A similar situation exists with housing in the Department of Planning and Development, the former Department of Planning and Housing. The structure in place has people working on wacky programs instead of doing what the department was

originally intended to do — assist people to obtain housing.

The offices of all members of Parliament are asked to deal with urgent and distressing cases of people who, for whatever reason, have been forced out of their houses and who need to be accommodated quickly. The local office of the department is not able to do it. The department should be able to handle those situations and give advice on where to send clients who are in distress. Any honourable member who tries to do that will find that the current system does not work. People in regional offices are working hard but they are working on the wrong things.

The government will address that situation by reducing staff and directing remaining staff in departments to work on programs designed to help people carry out what the departments are intended to do.

Higinbotham Province is not in good shape. A high level of unemployment exists at all levels in the community — among factory workers, management employees and even managing directors. Many 40 to 50-year-olds in the Sandringham and Brighton areas have lost their jobs; they are on the scrap heap and will probably never again get jobs. It would be impertinent for me to mention their names and embarrass them but I assure honourable members that they exist and are living in what may be described as genteel poverty. In fact, it is real poverty — husbands and wives are in great distress. No-one should think that only people who work in factories and so on are affected by the situation; it affects people across the spectrum.

I am delighted that during its first 100 days the government is making hard decisions. Government members have received telephone calls from people complaining about certain of the government's actions, but the government is determined to resist any challenge to its actions because what it is doing is right. I am not ashamed of what the government is doing and I am happy to support its economic decisions, of which there are more to come.

This is the first time in history that there has been a Liberal-National party coalition in Victoria. The coalition is working well. Our National Party colleagues understand our point of view in the Liberal Party, and we understand their point of view. The coalition can only go from strength to strength. Members of the coalition parties represent provinces in both metropolitan and rural areas; they

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are in positions to understand the total needs of the population, wherever people live.

The government will administer tightly and leanly all the programs it has said it will implement. Those programs will not immediately satisfy all the needs of our constituents but there will be a turnaround within four years. The government will talk to its partners in the Asia-Pacific Basin and to the so-called tiger economies to our near north, as well as retaining links with European countries and with the United States of America.

In speaking to the debate on the Appropriation in three years from now I promise that I will be able to talk about the turnaround that has taken place in Victoria and report that Victoria can look forward to

competent programs in education and training so that our children can be proud of our activities in this House.

I offer my felicitations and those of the constituents of Higinbotham Province to His Excellency the Governor and to Her Majesty the Queen.

**Debate adjourned on motion of
Hon. R. S. de FEGELY (Ballarat).**

Debate adjourned until next day.

House adjourned 5.30 p.m.

INTELLECTUALLY DISABLED PERSONS' SERVICES (TRUST MONEY) BILL

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The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 10.2 a.m. and read the prayer.

INTELLECTUALLY DISABLED PERSONS' SERVICES (TRUST MONEY) BILL

Introduction and first reading

Received from Assembly.

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

ANNUAL LEAVE PAYMENTS BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

PETITION

Pedestrian-operated signals, Epping

Hon. G. R. CRAIGE (Central Highlands) presented a petition from certain citizens of Victoria praying that funding be provided for the design and installation of pedestrian-operated signals in High Street, Epping, in the vicinity of Coulstock Street.

Laid on table.

PAPER

Laid on table by Clerk:

Latrobe Regional Commission — Report for the year 1991-92.

INTELLECTUALLY DISABLED PERSONS' SERVICES' (TRUST MONEY) BILL

Second reading

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

That this Bill be now read a second time.

This Bill revises the provisions in the Intellectually Disabled Persons' Services Act 1986 on trust accounts.

As honourable members are aware, this is not the first time this Bill has been introduced into Parliament. The Bill was introduced by the former government and debated and passed in this House earlier this year.

The Bill was also introduced in another place in the week prior to the prorogation of Parliament in August 1992.

The government has decided to reintroduce the Bill as it is a key element in the program of the Department of Health and Community Services to improve all aspects of the management of trust funds of intellectually disabled clients.

The Bill repeals sections 45 to 50 inclusive of the Intellectually Disabled Persons' Services Act and inserts new sections 45 to 50R, all of which relate to the keeping of trust funds. The major elements of the Bill are as follows:

1. MANAGEMENT OF INDIVIDUAL CLIENT TRUST FUNDS

The Bill gives the Secretary of the Department of Health and Community Services the responsibility for the management of all trust funds for residential institutions and residential programs for intellectually disabled persons. These institutions and programs are operated by the Department of Health and Community Services. At present the Act requires senior officers of the department to manage these funds.

In large institutions it is not practicable for one senior officer to manage all trust accounts, deposit and withdraw all funds, and consult with each resident. There is no power under the Act for the senior officer to delegate his or her responsibilities. In addition, the requirements in the Act mean that one person is responsible for all of the trust fund management functions within an institution. This is undesirable.

The amendments in this Bill will rectify these problems by providing that the secretary will be responsible for managing one residents trust fund. The fund will consist of a number of accounts, including a trust account for each resident who

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resides in a residential institution or program. All of the responsibility regarding investments will rest ultimately with the secretary.

The Bill will allow the secretary to delegate his or her functions to the appropriate officer or employee within the department. For example, investment decisions will be made by senior staff in consultation with a major bank which has been contracted as funds manager. The withdrawal of funds and consultation with eligible persons will be delegated to separate staff within each institution and region. The separation of powers within the department's structure will provide a number of checks and balances to ensure that the funds are properly administered. The computer system used by the department will enable scrutiny of transactions by regional and central management.

2. MANAGEMENT OF FUNDS IN NON-GOVERNMENT REGISTERED RESIDENTIAL SERVICES

Non-government agencies operate "registered residential services". The Act currently requires individual trust accounts to be maintained for each resident of a registered residential service.

The Bill provides the non-government organisations that run these services with the ability to elect to use the residents trust fund and associated computer-based accounting systems. Those organisations with scarce resources and little expertise in the areas of trust fund management will be able to operate individual trust accounts within the fund.

This proposal will give non-government organisations the option of using a more sophisticated trust management system. However, to ensure that the non-government sector retains its independence the use of the Residents' Trust Fund is not mandatory. If a non-government organisation wishes to manage its own trust accounts it may continue to do so. To ensure that appropriate standards are maintained, in these cases the department will discuss trust accounting methods with the non-government organisations as part of the service agreement process. The Bill will ensure that current good practice will be maintained and improved amongst the non-government sector.

3. RESIDENTS AMENITIES FUND

The Act currently provides that a Residents Amenities Account must be established for each

residential institution. The purpose of these accounts is to provide goods, services and other amenities for the general use of residents in each institution. The amenities provided with funds from these accounts are additional to the standard provision of board, lodging and 24-hour support staffing provided by institutions.

At present the amenities accounts consist of donations and an annually determined percentage of interest earned on each resident's trust account. This annually determined percentage is usually 25 per cent.

This is an inequitable process as the amount that each resident contributes depends upon the amount held on trust for him or her by the department. Some residents have administrators or family members who manage their money. Such residents contribute substantially less to the amenities account than residents who have their total funds managed by the department. As the funds from the amenities account are used for goods and services for all residents in an institution such a procedure is clearly unfair.

It is proposed to rectify this situation by creating a new Residents Amenities Fund for each institution. Each fund will be comprised of an annual levy payable by all residents of that institution and any donations received. The levy for each institution will be determined by the Minister after considering the views of a standing committee comprised of residents, relatives and staff of the institution. It is anticipated that the levies are initially likely to be of the order of two or three dollars per week. This is a substantial reduction for many clients, and is an equitable charge. All income derived from the Residents Trust Fund will be distributed to accounts within the fund, and not be used for amenities.

4. EXPENDITURE OF FUNDS FROM RESIDENTS AMENITIES FUNDS

The current provisions of the Act provide that the senior officer of each residential institution may withdraw money from the residents amenities account. To improve the quality and accountability of expenditure the Bill provides that this responsibility will lie with the secretary or his or her delegate. The secretary must also prepare and have regard to an annual plan for the expenditure of money from these funds. Consultation with a standing committees comprised of residents, relatives and staff of each institution is to continue,

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except that the committee is now to be consulted when the annual plan is prepared.

5. DISBURSEMENT OF AMENITIES FUNDS WHEN INSTITUTIONS CLOSE

The Act is silent on the disbursement of money in residents amenities accounts when institutions close. The Act also does not make any provision for the disposal of assets purchased from the residents amenities accounts when institutions close.

The Bill provides for distributions to occur in relation to institutions that have closed before these amendments come into operation. As the residents amenities accounts have been funded from a proportion of interest earned on residents' trust accounts it is appropriate that the proceeds from the amenities accounts and from the sale of goods purchased through those accounts are returned to residents.

The Bill also provides for a distribution of funds in a Residents Amenities Fund to residents to occur when an institution closes in the future.

CONCLUSION

The department's work to develop enhanced systems and procedures has been supported by the Public Advocate, the Guardianship and Administration Board, the State Trustees and the Victorian Residential Association for the Intellectually Disabled. The new system represents a substantial upgrade of current procedures and will help to enhance the security of trust funds of intellectually disabled residents. The Bill is an integral part of the new system.

I commend the Bill to the House.

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

Debate adjourned until next day.

CONSTITUTION (MINISTERS) BILL

Second reading

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That this Bill be now read a second time.

The purpose of the Bill is to increase the number of members who may be Ministers of the Crown.

Since the first Constitution Act in 1855 the composition of the Ministry, both in overall numbers and in the percentages drawn from the Legislative Council and from the Legislative Assembly, has been the subject of a number of amendments.

Originally the Ministry was limited to seven Ministers, only four of whom had to be members of Parliament. Over the years subsequent amendments saw the number of Ministers vary until the 1976 amendment by the Hamer government, which established the position that has existed since, where the maximum number of Ministers is 18, with no more than 6 coming from the Legislative Council or 13 from the Assembly.

In proposing the 1976 amendment Premier Hamer pointed to the need to cope with the greater difficulty and complexity of government administration. This remains a priority today.

This State currently stands in a position of difficulty when as almost never before it is imperative that there be real, effective and vigorous leadership from the government so that Victoria can once again assume her rightful position amongst the States and within the Commonwealth of Australia free from the burdens of the past.

It is therefore vital to ensure that this State has an adequate number of Ministers for effective government who are available to tackle the problems that befall us.

I commend the Bill to the House.

Hon. D. R. WHITE (Doutta Galla) — I move:

That the debate be now adjourned.

In so moving, I suggest that the debate be adjourned until Tuesday next. No argument has sensibly been put as to why this place should meet for three weeks only, whatever the Legislative Assembly does or does not do.

The Legislative Council is a House of review and cannot effectively be a House of review if legislation is rushed through. Some weeks ago the Premier was arguing that there should be scrutiny of Bills and that at least two weeks should be available for that scrutiny prior to debate being resumed in this place.

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The only suggestion as to why the Legislative Council should meet for three weeks is that there was an election on 3 October and some members have the stitch and want a rest. The Ministers in this place have been in government for less than a month. The normal annual break will take place in December and January, but those Ministers are arguing that they need a rest from Parliament now.

As this is a House of review, it cannot be argued that it is in the same position as the Legislative Assembly; after all, 13 members of the coalition and 9 members of the opposition were not candidates for the election on 3 October.

Whereas Ministers in the Legislative Assembly might have a case for saying they have been under pressure since the election, there is no case for this House not meeting. I go further and argue that if the Legislative Council is to be a genuine House of review it must have the opportunity of properly considering legislation.

The government may argue that it has a mandate for this particular Bill. I argue that it has only a qualified mandate because it has held a certain position on policy since May 1991. Throughout its history the Liberal Party has opposed coalition and any increase in the size of government. Moreover, it has long held the view that the Legislative Council should be an effective House of review. It should not be a House of review in the context of the role of the opposition but, as the government would put it, a House of review that takes into account the views of government backbenchers and the community as a whole.

At this time of the year there is no justification for this House to meet for only three weeks; nor is there justification for Bills to be rushed through the House at this time of the year. On behalf of the opposition I indicate that next Wednesday evening we will make it clear to the Governor, who said in his Speech to the House that the role and standing of the Parliament would be upheld, that the role and standing of Parliament is not being upheld when Bills of a contentious nature, many of which do not have community support and which were not put to the community prior to 3 October, will be rushed through the House. Being the sort of man he is and a sound Victorian, the Governor will be interested in the role of the Upper House being reduced. The opposition will make the situation clear to him next Wednesday.

Hon. K. M. Smith — You rushed stuff through!

Hon. D. R. WHITE — We will make it clear to the Governor — —

Hon. K. M. Smith interjected.

The PRESIDENT — Order! Mr White is making his contribution. Other members will have a chance to respond.

Hon. D. R. WHITE — We intend to make it clear to the Governor next Wednesday — —

Hon. R. I. KNOWLES (Minister for Housing) — On a point of order, Mr President, I fail to see how anything Mr White might say to the Governor on Wednesday night is relevant to the debate on the period of the adjournment of debate on this Bill. The debate on this matter is narrow and I put it to you that the Leader of the Opposition has made his point and is now going on and on about an issue that is totally unrelated to the period of the adjournment of debate on the Bill.

Hon. D. R. WHITE (Doutta Galla) — On the point of order, Mr President, the point is that in his Speech the Governor made it clear that the standing of the Parliament would be upheld. I am arguing that because of the failure of the government to provide the Legislative Council with an adequate adjournment to consider the community's views on this major piece of legislation, the government and the Ministers in this House are treating the Legislative Council with contempt. That point is of relevance and importance to both the adjournment debate and the Governor.

The PRESIDENT — Order! I uphold the point of order. Mr White has made the point he wished to make. That issue and the motion before the House will have to be split, so the motion will be:

That the debate be now adjourned.

The honourable member should confine himself to that matter.

Hon. D. R. WHITE — It is clear that since 1984 the previous government consistently held that view of the role and function of the Legislative Council, all Upper Houses in Australia and the Senate.

The opposition has made it clear that the Legislative Council, as honourable members have been told over the past ten years by members of both the Liberal Party and the National Party, also has a proper place as a House of review. Most honourable

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members who have been re-elected — and those who have been elected recently — expect it to perform that function. The proposed legislation, which will change the Constitution — and any change to the Constitution must be regarded as a major piece of legislation — is an important measure for the House to consider.

It is also entirely fitting and appropriate that the community be consulted about the merits of the proposal before the House, regardless of whether it has been the subject of consideration prior to 3 October. The community must be consulted on whether the matter has merit and certainly about whether the manner in which the Constitution (Ministers) Bill has been introduced has merit in the eyes of the community.

As to whether the government has a mandate and therefore Parliament should pass the Bill expeditiously, today four pieces of proposed legislation will be considered, two of which do not fit into that category. No suggestion has been heard from government members that because they do not have a mandate for two of the proposed measures they should not be proceeded with. The opposition notes with interest that the government will amend two Bills.

Hon. M. A. Birrell — We are a House of review.

Hon. D. R. WHITE — It is clearly a responsibility of this House to conduct itself as an effective house of review. That is not possible when an inappropriate length of time is given for the adjournment of the debate on a Bill. Members of the opposition have not seen the Bill until today; we have not seen the second-reading notes until today. The proposed change to the Constitution is significant. Members of the opposition should be provided with an adequate length of adjournment of the debate so that we can give due consideration to the Bill before the second-reading debate proceeds. For those reasons, the debate should be adjourned until Tuesday next.

Hon. J. V. C. GUEST (Monash) — The Leader of the Opposition made a fine speech but the Constitution (Ministers) Bill was not the right Bill for it. The Bill is essentially about the structure of the executive. It is important that debate on the Bill proceed so that the long-announced plans of the government on how it will run the executive can be put into effect. It is inappropriate that the Bill be given the somewhat high-flown sentiments and rhetoric of the speech made by Mr White. Members

of the government would have liked to hear that speech on the subject of this House as a House of review when we were in opposition.

Hon. M. A. Birrell — Or even that this House should exist!

Hon. J. V. C. GUEST — Indeed, there was not entire consistency on that view.

I refer to other matters. The Bill is quintessentially one about which consultation with the community is more difficult and certainly less significant than on Bills, for example, relating to residential tenancies or intellectual disability services or any other matters affecting service delivery or relationships between private individuals.

The Constitution (Ministers) Bill and the other two Bills on which the Leader of the Opposition will seek to have the debate adjourned, are of peculiar concern to Parliament. They are fairly technical Bills in the sense that members of Parliament, particularly former Ministers of the Crown, are peculiarly equipped to deal with them. The Bills will not benefit enormously from community consultation. Mr White knows what he needs to know and what he wants to say about all three Bills.

Furthermore, it is untrue to say that the opposition has had inadequate notice of this legislation. Copies of the Bills have been available for at least a week and they are simple to understand. Debate on the legislation, particularly the Bill currently before the House, does not require to be adjourned on the grounds that Mr White has given or any other grounds.

Motion agreed to and debate adjourned.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That the debate be adjourned until later this day.

House divided on Mr Birrell's motion:

Ayes, 29

Asher, Ms	Forwood, Mr
Ashman, Mr	Guest, Mr
Atkinson, Mr	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr	Hartigan, Mr
Birrell, Mr	Knowles, Mr
Bishop, Mr	Skeggs, Mr
Bowden, Mr (Teller)	Smith, Mr

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Brideson, Mr (<i>Teller</i>)	Stoney, Mr
Connard, Mr	Storey, Mr
Cox, Mr	Strong, Mr
Craige, Mr	Varty, Mrs
Davis, Mr	Wells, Dr
de Fegely, Mr	Wilding, Mrs
Evans, Mr	

Noes, 14

Davidson, Mr	Mier, Mr
Henshaw, Mr	Nardella, Mr
Hogg, Mrs	Power, Mr
Ives, Mr	Pullen, Mr
Kokocinski, Ms	Theophanous, Mr (<i>Teller</i>)
Landeryou, Mr	Walpole, Mr (<i>Teller</i>)
McLean, Mrs	White, Mr

Motion agreed to and debate adjourned until later this day.

PARLIAMENTARY COMMITTEES (AMENDMENT) BILL

Second reading

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That this Bill be now read a second time.

The purpose of the Bill is to reform the current system of joint investigatory committees.

Over the past few years the joint committees of this Parliament fell into disrepair. They were creatures that had become dependent on references being provided by the then government. Once those references ceased to be as frequent the committees became underutilised. That affected not only the members of those committees but also the staff who, on occasion, had nothing to do. We saw the Natural Resources and Environment Committee without even one reference at a time when all and sundry were commenting on matters of critical importance to the environment.

My government is concerned to ensure that an effective and efficient system of committees exists, and that the functions of the committees are targeted at the critical issues facing our community.

To that end, the Bill provides for the establishment of seven joint-investigatory committees and two specific-purpose committees. They will include the Public Bodies Review Committee; the Scrutiny of Acts and Regulations Committee; the Law Reform

Committee; the Environment and Natural Resources Committee; the Public Accounts and Estimates Committee; the Community Development Committee; the Economic Development Committee; and the Road Safety Committee.

The Public Bodies Review Committee will have functions similar to those of the former committee. However, it is the view of my government that a committee with such an important role in reducing public sector inefficiencies should be more active and able to focus on areas of greatest benefit.

The Scrutiny of Acts and Regulations Committee will have a more extensive role than the former Subordinate Legislation Subcommittee of the Legal and Constitutional Committee. Although it will continue the former committee's functions under the Subordinate Legislation Act, it will scrutinise Bills as they are being considered by the Parliament. That process will be more effective than what occurred previously when problems in legislation became apparent after they had become law.

The Law Reform Committee is a new committee taking on a broad policy function in the area of legal, constitutional and Parliamentary reform. However, the committee is specifically not empowered to consider the Standing Orders or the rules of practice of this House or the Legislative Assembly. They are matters with which each House should itself deal.

The functions given to the proposed Environment and Natural Resources Committee are broader than those of the former Natural Resources and Environment Committee. The government proposes that the new committee will be more effective than the former committee because it will use its ability to report to Parliament to focus attention on key environmental issues.

The Public Accounts and Estimates Committee has been established separately from the Economic Development Committee in an effort to give priority to the financial matters surrounding government administration. The functions of the Economic Development Committee reflect its title but also include the power to consider matters concerning industrial affairs. The need for economic development and industrial affairs to be linked in order to assist the development of this State has long been evident.

The Community Development Committee is the successor to the Social Development Committee. However, this government's intention is to allow the

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new committee to focus on community development and welfare and to create a separate, specific purpose committee to examine matters of crime prevention.

Along with the Crime Prevention Committee the other specific purpose committee is the Road Safety Committee. There have been calls for years for a separate committee to be set up to look at road safety. The government has responded to the community concern about road safety by proposing this committee to the Parliament.

An active, well-focused system of Parliamentary committees has two broad objectives. Firstly, it is a critical part of the accountability of any government to the Parliament. Secondly, it enables measures to be developed that can improve the economic, legal and social well-being of Victorians.

I commend the Bill to the House.

Hon. W. A. LANDERYOU (Doutta Galla) — I move:

That the debate be now adjourned.

I suggest the debate be adjourned until next Tuesday, 10 November. I do so in the context of some recent debate on the matter of time, debate for which I was present. This matter has, as I understand it, already been subject to amendment. But I also understand, just by listening for the first time to a second-reading speech delivered by Mr Birrell, that the Minister is suggesting that the proposed legislation will do things that I cannot see any provision for in the Bill. Therefore, we need the normal amount of time, even under pressure, in which to give consideration to this measure. Clearly, if the proposed committee system is to work, it will require the support of all factions of the Parliament. It will require the support and understanding of both those who have supported the committee concept and those who perhaps have not done so in the past.

The general thrust of the Bill is supportive of the sorts of views I have held for a long time, but that does not mean that I do not owe it to Parliament, and to this House in particular, to examine the proposed legislation in great detail. The copy of the Bill presented to us proposes that the Governor in Council can recommend that committees examine certain matters of interest to Parliament. That would seem to be a step going back several hundred years. I understand that proposition will probably be

subject to some reconsideration by the government before we get to the Committee stage.

The Bill contains vague assertions about the composition of committees, the number of committees and their roles. There is no real definition that I can see. The Minister might care to address that at some stage.

I put it seriously to the government — I am sure it is a view with which you, Mr President, would concur — that in considering this matter, which is of concern initially to Parliament and ultimately to the community, members of Parliament who have experience in this area should be given time to consider the Bill. The legislation is important. I am not interested in arguments about mandates in this matter; I am concerned about the role of Parliament and the functions of this House in relation to investigative committees and the committees proposed in the Bill.

The second-reading speech canvasses the use of resources available to committees in the past in a more efficient and better way, but I cannot see any provisions relating to that in the Bill. This is not the first time I have seen the Bill, but it is the first time I have heard the second-reading speech. The Bill does not appear to grapple with all the issues referred to in the Minister's speech.

I ask the government to consider my proposal to adjourn the debate until Tuesday, 10 November. I am mindful of the pressure of time that the government has imposed on Parliament, but this important issue deserves consideration by all members of the House. I wish to seek advice on some aspects of the Bill. It is in those circumstances that I suggest that the debate be adjourned until 10 November.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — The government does not support the suggestion made by Mr Landeryou. I make it clear that, following representations by the manager of opposition business in the other place, Mr Roper, the government will move amendments to the Bill. Members of the opposition and the Presiding Officers have expressed concern about committees being established by the Governor in Council, but it must be said that the provision was put forward with good intentions. It was to cover a situation where, for example, it was necessary to establish a committee to investigate a major incident that occurred while Parliament was not sitting. There is concern about committees being established

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without Parliament agreeing to it, and in those circumstances the government is happy to withdraw the provision. That weakens the government's ability to respond to the need to establish a committee at times when Parliament is not sitting but, as I said, the government is happy to withdraw the provision.

Mr Landeryou said that the second-reading speech is silent on procedural and administrative matters. The Bill makes it clear, as does the principal Act, that much of the procedure, funding, administration and priorities of the committees are determined by Parliament — that is, by discussions between the parties. It could be argued that there is no need for the Parliamentary Committees Act and that an appropriation for the committees is all that is required. That is probably true. Nevertheless, that is a codification of what in most other Parliaments is simply practice; and that needs to be amended if the number of committees is to be increased.

The Bill has been debated in the other place and in the wider community. The government wants to ensure that the Bill is debated in this place, which is why we oppose it being adjourned.

Hon. W. A. LANDERYOU (Doutta Galla) (*By leave*) — The Leader of the Government does not understand the significance of Parliamentary committees. Although the government has the numbers to ride roughshod over the traditions of the House, it will have to live with the consequences of its actions.

This is not simply an issue about which the government can say that when a political issue arises the executive will appoint a Parliamentary committee. Parliamentary committees are not gifts of the executive; they are not gifts of kings or governors or Jeff Kennett. Parliamentary committees are gifts of Parliament. I had thought that was understood by people on the other side of the Chamber. Certainly they have said that publicly and privately and have argued it in the Chamber from time to time.

Hon. J. V. C. Guest — This is just on the adjournment.

Hon. W. A. LANDERYOU — What particular pearl were you throwing at us, James? When the government uses its numbers, which it is entitled to do, it should have respect for and regard to the traditions of the institution of Parliament.

If the government rides roughshod over those traditions simply because the executive has a particular view about the structure of Parliamentary committees and if the government refuses to give honourable members the opportunity to properly consider the changes they are being asked to agree to, the Parliamentary process will be abused.

This issue concerns the very lifeblood of and reasons underlying determinations by Parliament. The government is obliged to allow all members of the Chamber the opportunity to examine Bills in detail to discover the effects of the measures.

Because the government raced it through the other House, the Bill requires amending. Other amendments jump to mind; and I have yet to receive an explanation of the meaning of the first two paragraphs of the second-reading speech, about which nothing is said in the Bill.

Hon. D. R. WHITE (Doutta Galla) — Once again, the Leader of the Government is acknowledging that a Bill passed by the Legislative Assembly is deficient, which is a consequence of the way it was rushed through. The Leader of the Government claims that the rectification by the Council of the mistakes made in the Assembly — and I note the points put by Mr Landeryou — is evidence of this House acting as a House of review; but that is not the case at all.

The Council's acting as a House of review does not simply turn on acknowledging the points made during debate by Mr Roper, the honourable member for Coburg in the other place. It turns on allowing members of the House, most of whom are experienced Parliamentarians and members of Parliamentary committees, the opportunity to consider the merits and effectiveness of the Bill.

It may be true, as Mr Landeryou has suggested, that further amendments would need to be made as a result of debate in this House. But one thing is certain: whatever the intention of the government's legislative program in this sessional period, its decision to rush through Bills in three weeks will result in deficient legislation. Any reforming program that is not the subject of proper review is likely to be deficient.

Ministers and others who are responsible for implementing the legislation will become victims of an inadequate process of review in this House and inadequate consultation with the community.

If there is to be an effective Parliamentary committee system — and the opposition is not certain whether that will be the case — it should be more of a problem for the executive than for anyone else.

The opposition is making it clear on this Bill, as with the previous Bill, that there ought to be a satisfactory adjournment period and that regardless of what happens in the other place the House ought to meet for more than three weeks. So long as this House fails in its responsibility to have adequate adjournment periods on proposed legislation it is defeating the very purpose of its existence. I suggest that the debate be adjourned until Tuesday of next week.

Hon. M. A. BIRRELL (Minister for Conservation and Environment)(*By leave*) — It is a bit hard to take the crocodile tears seriously. The opposition could have had a further day to examine the Bill but yesterday, when the government introduced it, the opposition refused leave to proceed with the second reading. The opposition deprived itself of an adjournment period.

Hon. W. A. Landeryou — One day!

Hon. M. A. BIRRELL — The House has heard the opposition's pleadings for extra time. The opposition deprived itself of a 24-hour adjournment; instead the opposition used the instrument of denying leave to prevent the second reading of the Bill. If it had not denied leave it would have had the opportunity of examining the Bill. The opposition cannot be taken seriously.

It is a bit like the opposition's sudden invention of interest and support for the Legislative Council as a House of review. It seems to be a new-found belief on the part of the Australian Labor Party, which has decided to take the high moral ground. If the opposition wanted to examine the Bill it could have done so yesterday. The government was happy to have the Bill read a second time yesterday, but leave was refused.

The opposition knows the Bill was debated in the other place. The honourable member for Coburg, who was the opposition spokesman on the Bill in the other place, advised the government of the amendments he wanted to make on behalf of the opposition. If the Leader of the Opposition in this House is suggesting that the government should not treat that request on face value, I do not know what it should do. The honourable member for Coburg told the government that he wanted certain

amendments made to the Bill and the government told him and the House that it would agree to those amendments.

Now the opposition presents this trumped-up argument as a basis for requiring more time. Yesterday the opposition deprived itself of the one-day adjournment that the government was more than happy to provide. It is a little late for the opposition to say that it requires more time now.

Motion agreed to and debate adjourned.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That the debate be adjourned until later this day.

House divided on motion:

Ayes, 29

Asher, Ms	Forwood, Mr
Ashman, Mr	Guest, Mr
Atkinson, Mr	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr	Hartigan, Mr
Birrell, Mr	Knowles, Mr
Bishop, Mr	Skeggs, Mr
Bowden, Mr	Smith, Mr
Brideson, Mr	Stoney, Mr
Connard, Mr	Storey, Mr
Cox, Mr	Strong, Mr
Craige, Mr	Varty, Mrs
Davis, Mr	Wells, Dr (<i>Teller</i>)
de Fegely, Mr	Wilding, Mrs (<i>Teller</i>)
Evans, Mr	

Noes, 14

Davidson, Mr	Mier, Mr
Henshaw, Mr	Nardella, Mr
Hogg, Mrs	Power, Mr
Ives, Mr (<i>Teller</i>)	Pullen, Mr
Kokocinski, Ms (<i>Teller</i>)	Theophanous, Mr
Landeryou, Mr	Walpole, Mr
McLean, Mrs	White, Mr

Motion agreed to and debate adjourned until later this day.

**BORROWING AND INVESTMENT
POWERS (MELBOURNE WATER
CORPORATION) BILL**

Second reading

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

That this Bill be now read a second time.

This Bill provides for a new borrowing limit for Melbourne Water Corporation.

Honourable members will remember that this matter was addressed in the autumn sessional period this year. Honourable members will recall that Melbourne Water Corporation has an existing debt limit of \$3400 million, passed by Parliament in December 1989. This limit has provided sufficient flexibility in the past to enable Melbourne Water Corporation to manage its operations.

However, in the 1991 merger of six water authorities with the Melbourne and Metropolitan Board of Works, Melbourne Water Corporation assumed additional debt from these merged authorities of more than \$300 million.

This assumed debt was not raised under Melbourne Water Corporation powers or approvals under the Borrowing and Investment Powers Act. However, refinancing of these borrowings because of their maturity or as a result of debt management to reduce ongoing funding costs results in the replacement debt issued by Melbourne Water Corporation being included within the current debt limits under the Borrowing and Investment Powers Act. More than \$100 million has yet to be refinanced as Melbourne Water Corporation's borrowings.

Melbourne Water Corporation also has to meet its estimated \$100 million contribution to the winding up of the Victorian Equity Trust, and needs sufficient flexibility to meet short-term cash flow shortfalls.

An increase in the limit by \$300 million from \$3400 million to \$3700 million is necessary to enable Melbourne Water Corporation to maintain its current flexibility to manage its operations.

I commend the Bill to the House.

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

Debate adjourned until next day.

**EVIDENCE (UNSWORN EVIDENCE)
BILL**

Second reading

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — I move:

That this Bill be now read a second time.

The purpose of the Bill is to abolish the right of an accused person to give unsworn evidence or to make an unsworn statement.

BACKGROUND

At present all witnesses who give evidence know that they will be cross-examined — that their statements will be tested. This is the basis on which their evidence is received by the court. The only person who can avoid this is the accused. This anomaly in a trial system directed towards the ascertainment of the truth undermines the confidence of the community in the criminal justice system.

The arguments for the retention of the right of the accused to avoid being cross-examined are no longer relevant. Unsworn testimony was introduced at a time when an accused was not allowed to give sworn evidence and was often not represented. It existed to protect the disadvantaged. There have been enormous changes to the criminal law since then. Today the availability of legal aid means that it is now the rule rather than the exception that an accused is legally represented. There is also an overriding judicial discretion to protect the accused from unfair questions. These changes mean that the need for the protection involved in a right to give untested evidence no longer exists. It is an historical anachronism that should be abolished.

Other jurisdictions have seen fit to do so. Queensland, Western Australia, the Northern Territory, South Australia, England, Canada and New Zealand have all abolished the right to give unsworn testimony.

Removal of the right to give unsworn testimony or to make an unsworn statement does not interfere with fundamental principles of our legal system. An accused is presumed innocent until proven guilty. The right to remain silent and the right against self-incrimination remain.

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The Bill makes provision for the abolition of unsworn testimony to take effect immediately. In any trial or hearing of a charge that occurs after the Bill is in force, accused persons will not be entitled to avoid cross-examination if they choose to give evidence.

For some time now the government has clearly stated that its policy was to abolish unsworn testimony. That policy was widely circulated.

The only people who will be affected by the immediate commencement of the Bill are those who have been charged but have yet to appear in court for their trial. The perception of fairness in our criminal justice system would be sorely tested if persons could, years from now, rely on unsworn testimony simply because they had been charged prior to this Bill being implemented. If a trial or hearing is in progress at the time the Bill commences, the right will remain.

There has been widespread support from groups advocating victims' rights for the removal of unsworn testimony from our criminal justice system.

The interests of the community in the administration of justice require a balance to be drawn between the personal freedom of the accused person and the safety and security of all other individuals. Removal of unsworn statements and unsworn evidence will require accused persons who choose to give evidence to be subjected to cross-examination, like other witnesses, and will thereby rebalance the scales of justice. The time has come to remove this historical anomaly from the Victorian legal system.

I commend the Bill to the House.

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

Debate adjourned until Tuesday, 10 November.

CONSTITUTION (MINISTERS) BILL

Second reading

Debate resumed from earlier this day; motion of Hon. M. A. BIRRELL (Minister for Conservation and Environment).

Hon. D. R. WHITE (Doutta Galla) — The opposition does not support the proposal to increase the number of members of the Ministry from 18 to 22. It knows that the government, when in

opposition, proposed to the electorate that the size of the Ministry be increased, but it was a compromise as a consequence of its newfound relationship with the National Party in coalition. The opposition does not accept the view that there is a need for an increase in the number of Ministers or the cost associated with establishing those Ministries.

Throughout his 16 years in Parliament and up until May 1971 the Premier was consistently of the view that there should not be a coalition and that there should be smaller government. When the then Leader of the Opposition resumed the leadership of the opposition after defeating the honourable member for Gippsland West, now the Minister for Public Transport, he was put in the position of accepting, as a consequence of becoming Leader, the existence of the coalition, which he had not accepted previously — neither had his predecessors, the Honourable Rupert Hamer and the Honourable Lindsay Thompson — and the compromise in the number of Ministries.

The opposition believes there should be a sharing of the burden among all Victorians and an increase in taxation if there is a circumstance where the whole of the community has to share the burden, but that there is no justification for having additional Ministers, additional salaries, additional staff and the additional circumstances of 22 Ministries because that clearly does not relate to any requirement for the conduct and management of government as occurs in other States.

We believe the legislation should be seen in conjunction with two other pieces of legislation, the Parliamentary Salaries and Superannuation (Further Amendment) Bill and the Parliamentary Committees (Amendment) Bill. Those other Bills, which are yet to be debated by the House, do not have the support of the community. The community does not support the notion of Parliamentary secretaries and chairmen of committees putting their snouts into the trough at the same time as the community is being asked to share the burden. Under those foreshadowed Bills, some Parliamentarians will be getting \$200 a week in additional salary and others, like Mr Guest, who is hardly in necessitous circumstances, will receive an additional \$60 a week. It has been said that these changes are to be part of a career path for Parliamentarians, but a political career path is, firstly, to be elected and, secondly, if they are successful, to be Ministers of the Crown. Parliamentary secretaries in Canberra are not paid additional salaries.

Hon. J. V. C. GUEST (Monash) — On a point of order, Mr White is straying well beyond the provisions of the Bill; nor has a motion been moved for cognate discussion of several Bills. He has spoken about Parliamentary secretaries, committee chairmen and their salaries. However, the ambit of this Bill is narrow.

Hon. D. R. WHITE (Doutta Galla) — On the point of order, it would be helpful if Mr Guest also declared his interest in the measures that we are arguing about.

Hon. J. V. C. GUEST (Monash) — I object to the remark made by Mr White. It is offensive. He has used innuendo because he knows full well that there is no requirement under Standing Orders and it is not the practice of the House to declare an interest, such as I presumably have as a chairman designate, which is well known. Mr White is implying that I am being dishonest or less than open.

The PRESIDENT — Order! I regard Mr Guest's last comments as a personal explanation. It is not possible to debate another point of order. In relation to the substantive point of order, the House cannot anticipate other matters that are on the Notice Paper. However, some latitude is allowed so that a speaker can make fleeting reference to other matters when taking a global view, but he should not canvass matters in detail that are shortly to be the subject of debate.

Hon. D. R. WHITE (Doutta Galla) — It is clear, when contemplating an increase in the size of the Ministry, that additional resources will be provided for the executive of the day. Therefore, the other measures need to be put in context, such as the support that Cabinet Ministers will have, which will include Parliamentary secretaries, Ministerial advisers and personal assistants, and in those circumstances there is no justification for also having an increase in the size of Cabinet.

The Parliamentary secretaries will take up part of the role of Cabinet Ministers and will also have responsibilities beyond those. What possible justification is there in those circumstances for the number of Ministers in Cabinet to be increased?

There is no justification in the current economic circumstances for having 22 Ministers. The only rationale being put — which the opposition does not support — is the notion of having a government made up of members of the Liberal and National parties and of accommodating the National Party

while preserving 18 positions for the Liberal Party. That argument does not have community support. There should not be bigger government. The government is suggesting that in the current economic climate the way ahead is to provide more resources to Parliament and the executive.

Until the formation of the coalition government no argument was put to the community by the Liberal Party that there was a requirement for larger government. The Bill is an example of the hypocrisy of the government: it suggests that it should feel free to increase the tax burden on Victorians to support its members who have their snouts in the trough and who want to do nothing but further their economic well-being.

The community will not be better served by having 22 Ministers. It is doubtful whether the coalition government can put together more than a dozen members capable of running the State, let alone supporting them with Parliamentary secretaries.

Hon. W. A. N. Hartigan interjected.

Hon. D. R. WHITE — Mr Hartigan, have a careful look through the book you are reading, in particular the names of the proposed Parliamentary secretaries and proposed chairpersons of committees.

Hon. W. A. N. Hartigan — You are wrong; I am reading the 1991-92 annual report of the Ministry of Ethnic, Municipal and Community Affairs.

Hon. D. R. WHITE — Can you give me an assurance that at the first opportunity you will not jump over members to get to the frontbench or that you are not of the view that you can do a better job as a committee chairman or a Parliamentary secretary?

Hon. W. A. N. Hartigan — What is the point you are making?

Hon. D. R. WHITE — It is clear that you are of the view, as are a number of new members in this place, that those appointed chairpersons of Parliamentary committees are destined never to be part of a career structure and never to become members of the frontbench. Mr Guest has been parked after 16 years. The best position he can aspire to is chairman of a committee. That is not part of an ongoing career structure; it is a retirement testimonial to James. Nobody on the frontbench is of the view that Mr Guest is destined for the frontbench; nor are you, Mr Hartigan.

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Hon. W. R. BAXTER (Minister for Roads and Ports) — On a point of order, Mr President, it is standard practice in this place for the member speaking to address the Chair rather than to conduct a conversation with another member. In the past few minutes Mr White has been addressing his remarks to Mr Hartigan.

Hon. D. R. WHITE (Doutta Galla) — On the point of order, Mr President, when a member substantially interjects about issues relating to a Bill, it is appropriate that I respond. I have addressed the Chair on more than one occasion during this debate, and will continue to do so.

When a member interjects, it is fitting and appropriate that an opportunity be provided for him to respond to that interjection, which is precisely what I am doing.

The PRESIDENT — Order! The purpose of a system where addresses are directed through the Chair is to try to depersonalise the debate so that there will be no personal animosity expressed between members. It is in the interests of the House that all remarks be addressed through the Chair.

I uphold the point of order. Mr White is entitled to respond to interjections, as he has done, but the way in which it is being done could be altered and the address directed through the Chair.

Hon. D. R. WHITE — I am making it clear that the government is introducing a package of legislation that is designed to do nothing but further the financial interests of members of the government. The notion of the development of a career structure is hypocrisy. People are being rewarded with positions on committees and jobs as Parliamentary secretaries because they are destined never to occupy frontbench positions. They are being parked in those jobs and given an additional remuneration to shut them up.

The newer members of the government will look for the first opportunity to jump over their heads and get onto the front bench. Most of the people who have been given these positions are destined never to sit on the front bench. The people who would be seeking —

Hon. G. P. Connard — Your judgment has been so wrong for so long!

Hon. D. R. WHITE — When you have spent one day as a Minister of the Crown, give me a call; when

you have spent 10 years and 6 months as a Minister of the Crown, give me another call, Mr Connard. It will never happen in your case. You will never be given the privilege of serving on the front bench.

The notion of a career structure for people like Mr Connard and Mr Guest is pure hypocrisy. They will not be recruited.

Hon. G. P. Connard — You are talking about me, not the excellent young men who have been suggested!

Hon. D. R. WHITE — You are destined never to get to the front bench, nor is Mr Guest after 16 years in this place. He knows it and the Leader of the House in this place has said it on several occasions over a number of years.

Hon. W. R. BAXTER (Minister for Roads and Ports) — On a further point of order, Mr President, I invite you to consider the Standing Order that deals with relevance. This Bill goes to the matter of increasing the number of Ministers provided for in the Constitution. All we have heard is an offensive tirade from Mr White, in his typical fashion of denigrating the Parliament and other honourable members. His recent references to Mr Guest and Mr Connard were offensive and had nothing to do with the Bill. He should be brought back to the matter of relevance.

Hon. D. R. WHITE (Doutta Galla) — On the point of order, Mr President, I argue that the fact that the government is seeking to introduce legislation to expand the Ministry ought to be seen alongside the government's introduction of Parliamentary secretaries and the increase in the remuneration for chairmen of committees. This ought to be seen as a package of measures, and in opposing the increase in the size of the Cabinet I am arguing that if the government is going to introduce Parliamentary secretaries, there is no justification for increasing the size of the Cabinet. I argue that there is no justification for doing either.

I point out that in Canberra Parliamentary secretaries are not paid. Mr Gude has accepted the view that they should not take a pay increase, and it is appropriate to draw attention to that in the hope that they might take a similar stance to that of Mr Gude.

The PRESIDENT — Order! I do not uphold the point of order. The thrust of Mr White's remarks, which cover the total package of Bills of which this is

part, is appropriate. At this stage no further reference to the position of Parliamentary secretaries should be made because that matter will be dealt with in a separate Bill. I think Mr White has made his point on that matter. This Bill deals with the expansion of the Ministry. I have given Mr White enough latitude to make the point but, having made it, he should move on.

Hon. D. R. WHITE — I remind the House that in 1988 the present Premier said, "I will never be part of a coalition with the National Party". He maintained that view until 1991.

Mr Kennett's position was that forming a government was not worth it if one had to be in coalition with the National Party. The opposition agrees with that! However, the current Premier had to agree to form a coalition to get back the leadership of the then opposition. As I said, until then he had always proclaimed his support for smaller government. After he got back the leadership, if it meant appointing more Ministers, Parliamentary secretaries and chairmen of committees to accommodate the National Party, his decision was, "so be it".

No case has been made out for more Ministers to be appointed. No substantial review has been undertaken by the government of the operations of the executive; no recommendation has been presented to Parliament to justify an increase in the size of the Ministry. No independent review has been undertaken of the operations of government by a Parliamentary committee or any other body to justify, independent of the government, an increase in the size of the Ministry.

The only justification that has been made out is the so-called complexity of the operations of government. In fact the rationale for the increase in the size of the Ministry, as every person in Victoria knows and understands, is because of the existence of a coalition. That is, in order to get sufficient snouts in the trough the members of the National Party have to be accommodated without any members of the Liberal Party losing a position. It is totally dishonest to argue at any time or at any stage that there is any foundation or argument for or sense in increasing the size of the Ministry other than to accommodate the members of the National Party. If members of the Liberal Party had any principles at all and given the numbers they have in both Houses, they should not persist with the coalition. There would many in the party room now of that view and there will be many in the party room during the life

of the Parliament who will become increasingly of that view.

The words used in the second-reading speech are not honest; they do not reflect in any way what has occurred among the members of the Liberal Party. They never supported a coalition until it was forced on Mr Kennett in May 1991. Prior to that stage they never supported the idea of achieving better government in this State by having larger government. As I said, the only rationale for increasing the size of the Ministry is the need to accommodate members of the National Party.

Members of the Liberal Party have been dishonest in not making that clear. They have been dishonest to the people of Victoria in not making clear why the additional expenditure of resources has been sought.

Hon. J. V. C. GUEST (Monash) — The opposition's attack on the Constitution (Ministers) Bill is quite misconceived. It is based on at least two fallacies. Firstly, one must ask why one needs to legislate at all about the number of Ministers of the Crown who form part of the Executive government. The only reason that can be advanced is that Parliament, in its traditional role of controlling the executive and limiting its expenditure, wants to ensure that the kind of patronage common in the 18th century cannot run out of control. No suggestion has been made that this is a case of patronage running out of control.

The other fallacy also depends on misunderstanding the historical reason for legislating. The decision to increase the Ministry is basically one for the executive. No significant difference exists between the Premier deciding to have four more Ministers and the Premier deciding to have just 13 government departments instead of the 22 that existed previously. It is part of the running of the executive government.

The appropriate way for this House to judge these matters is by the results. It is premature and, indeed, presumptuous of the opposition — the failed former government — to tell the government how to run its affairs. That was the essence of the tirade from Mr White. One can understand why it was so thin, diffuse and long. The implementation of provisions of the Constitution (Ministers) Bill will involve very small amounts of public money compared to the magnitude of the problems created by the former government.

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We are discussing all of this nonsense because the Leader of the Opposition avoided acknowledging the two basic fallacies of his argument. It is true, when one considers it in an old-fashioned way, that an executive committee is not an executive committee when it contains 22 Ministers. Neither was 18 an appropriate number of Ministers to constitute the executive committee.

I am sure the disastrous record of the government of Gough Whitlam was partly due to his trying to run a true Cabinet of 27 Ministers. No doubt he learnt eventually that a smaller inner group would work better for day-to-day executive government.

Any suggestion that the government will have a larger executive committee is completely wrong, nor is having 22 Ministers considered an improvement in Ministerial control of the party room. Obviously, it was important in the Labor government for the Ministry to have a substantial proportionate vote, but in the coalition government 22 is a relatively small proportion in a total exceeding 90 members.

The government has decided to dispose of executive resources in a particular way. That will result in incidental changes and, whatever one may think or choose to predict — and I have said that it is the results that must be judged — there are some predictable advantages. We are a coalition. Does the opposition not wish to see a greater balance of metropolitan interests in the Ministry? I should have thought that would be self-evidently desirable. The fact that there is no financial relationship between the importance of each Minister's job or department and his or her salary conceals the fact that there are different kinds of jobs to be done within Ministries, not necessarily differing in importance but differing in the way they are done.

The Department of Education is a prime example of a department that requires delegation. A great deal of trust has to be placed in the ability of departmental officers, and one can see why the Minister for Education needs a Parliamentary Secretary to the Department of Education. Another good example is the Honourable Tom Reynolds's Department of Arts, Sport and Tourism. It is very much a hands-on department for a Minister who knows and cares about its clientele and constituency.

The same might be said of the Ministry to be held by Mr Vin Heffernan, the honourable member for Ivanhoe in another place. I have heard him speak with enthusiasm about the advantages of small Ministries, where the Minister can get his hands on

and know exactly what is happening. That is a completely different sort of Ministry from Ministries in the areas of education or health. There are also the professional Ministries; the Attorney-General clearly must have a large number of professionals working under her.

It really is not good enough for the Leader of the Opposition, who had 10 years and 6 months in government, and who, if he thinks about it, could provide a lot of interesting insights into the mistakes made by the former government and speak about things they learned along the way, to take this broad-brush approach and not to recognise that there is now a rational, if not necessarily perfect, structure being put in place.

It is not just a blanket structure of 22 members of the executive committee or 22 Ministers all doing similar jobs. Although it is true that, apart from the Deputy Leaders and the Leader of this House, they are all being paid the same amount, they have individual jobs to do.

At the top the government has a management structure — not a career structure — for which the Premier is ultimately responsible. Like any self-respecting Premier he has chosen his Ministry. I remind honourable members of the opposition, who have possibly read some political history relating to labour movements, that Prime Minister Atlee of the United Kingdom described the election of Ministers, as opposed to selection of Ministers by the Prime Minister, as the appalling Australian Labor Party system; and Prime Minister Harold Wilson said that no self-respecting Prime Minister would put up with it.

In the Premier we have a chief executive who is willing to take responsibility, who will stand or fall on the structures he has set up and the performances of the people he has appointed. That is how it should be.

Hon. D. R. White — Do you also support missing out, James? That is what you are saying! If you had had an election in the party room you might have done a bit better.

Hon. J. V. C. GUEST — Mr White knows there are all sorts of interesting complications associated with these matters. The fact remains the Premier will be judged on the performances of members of his Ministry. That does not mean he has to have a finger on each one or has to put them on four-weeks notice.

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We should pass this Bill because it simply amends the Constitution to give the Premier the authority he needs to run the State in accordance with the management model he has chosen.

Hon. D. A. NARDELLA (Melbourne North) — It really is a situation of pigs in the trough.

Hon. J. V. C. GUEST (Monash) — On a point of order, Mr President, it is about time somebody objected to that expression. The expression has been clearly applied to honourable members of this House and to honourable members in the other place. It is offensive and I ask that it be withdrawn.

The PRESIDENT — Order! The expression “snouts in the trough” has been used on a few occasions and no-one objected to it. I do not think we need to be so sensitive as to stop that expression being used. I think, however, the expression “pigs in the trough” is in a different category. Similarly, references in other quarters to “swill in the Senate” and similar sorts of expressions denigrate the institution of Parliament and are in no-one’s interest. I ask Mr Nardella to withdraw the statement.

Hon. D. A. NARDELLA (Melbourne North) — I withdraw the statement “pigs in the trough”. Clearly it is a case of snouts in the trough. There is an increase in the number of Ministers from 18 to 22; that is, four extra people on the payroll, and four extra people who will get pay increases. It shows the real position of the government. It is looking after itself and its own members.

As Mr White said, a number of tensions are arising, and there will be further tension between the National Party and the Liberal Party. The government is trying to deal with that, but its members are increasing their own purses at a time of great stringency for ordinary people, quite extreme stringency for a number of my constituents. Yet on the government side of the Chamber are people who will award themselves increased salaries and improved conditions.

Let us look at the cost of that. There was some reference to the cost of increasing the Ministry from 18 to 22. The base salary for all members of Parliament is \$65 887, and the allowance for Ministers on top of that is an additional \$49 415.25. Ministers are then paid allowances of \$11 859.66. These figures may be rounded off, but they are the figures according to the material in the Bill. The additional salary and allowances for one extra

Minister amount to \$61 274, so for four additional Ministers — —

Hon. W. A. N. Hartigan — What about Ministerial advisers?

Hon. D. A. NARDELLA — I am not including Ministerial advisers. We are not here to discuss Ministerial advisers. We are here to discuss the increase by four in the number of the Ministers. The extra cost in total salaries and allowances amounts to \$127 161-plus. And that is not all the government is giving these people with their snouts in the trough. They will be given cars, and along with cars comes maintenance. Then they will be given drivers to look after them because, unlike ordinary people in my electorate of Broadmeadows, these new Ministers could not drive themselves. Surely we could not expect an extra Minister who has just been appointed to drive himself, so we must give them cars and drivers, all funded from the public purse.

We have to increase their superannuation payouts. The government does not want to speak about one of these issues, but the superannuation payouts would become greater. We would then have to look at extra staff for the extra Ministers. On top of that — Mr Smith and others referred to this the other day, and we shall certainly be looking at the Auditor-General’s report when it is released — there are overseas trips the new Ministers will go on; fact-finding missions. There are additional expenses that naturally go with the office of a Minister — for example, extra sherry!

All of this occurs while, for at least quite a few of my constituents, all they face is the threat of the sack. They are threatened with cuts in wages and conditions — in fact, so far as I am concerned, their civil rights are under threat — but all these people in government want is a pay rise.

A number of members will be given pay rises and more perks at the same time as the government is facing a major industrial dispute. It is hypocritical for the government to talk about economic rationalisation, small government, deregulation, privatisation and less interference with the lives of Victorians. The government claims it wants small government but it is increasing the number of Ministers on the payroll. That is what it is all about; it is looking after one’s mates.

The \$170 000 to be given to four additional Ministers would create five real jobs in Broadmeadows and Sunbury, where the unemployment rate ranges from

10 to 14 per cent. To cover the cost of the pay increases the government is considering sacking 19 000 people, some of whom will be from my electorate. It is hard to believe that this action will be taken simply so that government members can look after themselves. The Treasurer virtually confirmed that yesterday. The government's macro-economic changes are brought about by the desire to increase the lurks and perks of four of its members.

It is appalling that four more members of the government will move further away from the ordinary people. They will not understand what it is like to live as a single pensioner who receives \$7958 a year when they are getting \$127 000 a year. It is amazing that salaries and conditions are being improved for four people who will have no idea of how to relate to people on low incomes. My constituents believe the increases are abhorrent.

Mr Guest spoke about patronage running out of control. The number of departments has been slashed to 13 — —

Hon. Louise Asher — Smaller government!

Hon. D. A. NARDELLA — That is right, but in this case with smaller government comes more Ministers. That is hypocritical. The government claims it wants smaller government but it is increasing the number of Ministers from 18 to 22. That is why the Bill should not be supported.

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — We have just listened to the most breathtaking hypocrisy. Mr Nardella gave an incredible account of all of the wonderful perks that Ministers supposedly enjoy. All I can say is that Mr Nardella must have been talking to Ministers in the previous government. The perks he referred to were never available to Ministers in the previous Liberal government, and they certainly will not be available to Ministers in this government.

He talked about sherry bottles, overseas trips and Ministers looking after their mates. It is obvious that he has been talking to Ministers in the previous government. Those sorts of things will never happen under this government. It is no wonder the State is broke if all the Ministers in the previous government indulged in the practices outlined by Mr Nardella.

As for the number of staff available to Ministers, we know that Mr Spyker, the former Minister for Transport, had a staff of 21. Under this government some Ministers are working with only two or three

members of staff, because we believe in a lean government and in government that works efficiently. That is the only way to save money.

Hon. W. A. Landeryou — This will come back to haunt you, Haddon.

Hon. HADDON STOREY — Mr Spyker's staff of 21 cost Victorian taxpayers \$1.4 million a year, which by itself is more than the cost of the extra Ministers.

Hon. D. R. White — You are creating a hurdle you will not be able to jump. These words will come back to haunt you.

Hon. HADDON STOREY — The Ministry will not follow the standard set by Mr White and his colleagues, which was disgraceful.

Hon. D. R. White interjected.

Hon. HADDON STOREY — That is a standard Ministers of this government will not follow.

Hon. D. R. White interjected.

The PRESIDENT — Order! The barrage coming from the Leader of the Opposition is not doing anyone any good. Members of the House cannot hear the Minister — and few of them can hear Mr White! Mr Storey will continue his contribution without assistance. Any honourable member who wishes to make a contribution to the debate may do so at the appropriate time.

Hon. HADDON STOREY — By interjection, Mr White kept talking about sherry bottles. I do not know what Ministers of the previous government got up to, but it is clear that Mr White and Mr Nardella have a fixation on sherry bottles. Why Ministers of the previous government would want sherry bottles in their offices is beyond me.

Hon. W. A. Landeryou interjected.

Hon. HADDON STOREY — I am prepared to say that you will never find a bottle of sherry in my office! We will ensure that the government operates efficiently and we will restrain public spending to enable the State to get back on the financial rails.

Hon. D. R. White interjected.

Hon. HADDON STOREY — We will do so by reducing the number of departments and ensuring

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proper Ministerial accountability. We will follow the standards set by the Labor government in Canberra, under which several Ministers share responsibility for major departments.

Hon. R. S. Ives — They are unpaid assistants, Mr Storey.

Hon. HADDON STOREY — That system will work better than the system adopted by the previous government: despite there being 18 Ministers and 800 advisers, no-one took responsibility for anything. Not one member of the government was willing to take responsibility for what went wrong during the decade of Labor government.

Hon. R. I. Knowles — What about Mr Landeryou?

Hon. HADDON STOREY — Mr Landeryou was hanged for a parking offence.

Hon. W. R. Baxter — So he said.

Hon. HADDON STOREY — I believe he accepted responsibility for a parking offence. That attitude was novel; certainly it was never repeated by other Ministers.

Hon. W. A. Landeryou — I am grateful to my colleague for that lot: at least I outlived the hanger!

Hon. HADDON STOREY — By interjection Mr Landeryou says that he outlived the hanger.

Hon. D. R. White (to Hon. W. A. Landeryou) — That sounds like one of Ned Kelly's stories.

Hon. HADDON STOREY — It may be a long time before Mr Landeryou has the opportunity of becoming a Minister. I shall explain what will happen. As Ministers will have discrete responsibilities shared among them they will know what is happening. Ministers will be able to ensure that their departments work efficiently, that public moneys will be used for the purposes for which they have been appropriated instead of simply being wasted, and that in future Victoria is better governed. The new government will be an accountable government. It will be able to respond to events because Ministers will know what has happened.

The Labor Party is resisting the proposed legislation because it has no conception of what it is like to

govern responsibly or to be accountable to the people. Labor Party members lost their way many years ago. It is clear that the former government's Ministers devolved all their responsibilities on to multiple advisers who cost the State a fortune by their incompetence, hopeless administration and salaries. Instead of helping Ministers they led them astray. The sooner the proposed legislation is passed, the better because it is another step forward towards competent, effective administration in this State for the remainder of the century.

House divided on motion:

Ayes, 28

Asher, Ms	Evans, Mr
Ashman, Mr	Forwood, Mr (<i>Teller</i>)
Atkinson, Mr	Guest, Mr
Baxter, Mr	Hall, Mr
Best, Mr	Hallam, Mr
Birrell, Mr	Hartigan, Mr
Bishop, Mr (<i>Teller</i>)	Knowles, Mr
Bowden, Mr	Skeggs, Mr
Brideson, Mr	Stoney, Mr
Connard, Mr	Storey, Mr
Cox, Mr	Strong, Mr
Craige, Mr	Varty, Mrs
Davis, Mr	Wells, Dr
de Fegely, Mr	Wilding, Mrs

Noes, 13

Davidson, Mr (<i>Teller</i>)	Mier, Mr
Henshaw, Mr	Nardella, Mr
Hogg, Mrs	Power, Mr
Ives, Mr	Pullen, Mr
Kokocinski, Ms	Theophanous, Mr
Landeryou, Mr (<i>Teller</i>)	White, Mr
McLean, Mrs	

Pair

Mr Smith	Mr Walpole
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Motion agreed to.

Read second time.

Passed remaining stages.

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Second reading

Debate resumed from earlier this day; motion of Hon. M. A. BIRRELL (Minister for Conservation and Environment).

Hon. W. A. LANDERYOU (Doutta Galla) — On behalf of the opposition, I wish to put a number of propositions to the House in the context of the earlier discussion which, although brief, was worthwhile at least to allow me to voice my understanding of its import.

I understand the excitement of members of the new executive in trying to get legislation through Parliament. I understand the need for the legislation to be prepared in the interests of someone who obviously neither understands nor sympathises with the procedures of this place; someone who tries to push everything through because of his difficulties in having his measures pushed through Cabinet. I presume someone has looked at this Bill!

The astonishing thing is that no-one in the government coalition parties considered the insult to the institution of Parliamentary democracy inherent in this Bill. Even when this was drawn to the attention of the government by the Leader of the House in another place, an acknowledgment of such insult was granted as if it were some magnificent concession — but there was no apology for the insult to Parliament or to the traditions of this institution.

Now we have a Bill which, just as it fell from the mouth of the Leader of the Government, demonstrates that the government had in mind the notion of appointing committees when Parliament was not meeting. Presumably we will have Parliamentary committees, but appointed by whom — in the same way as you, Mr President, were appointed? Anointed by the Leader of the Government! In the same way as the Speaker or the Cabinet was appointed, or the rest of the Premier's mates who missed out on the Ministry, but who got jobs chairing one of the prospective committees or in secretaryships which have yet to be explained?

In fact, the outrageous assertion behind this proposal is that the government intended, in the words of its Leader, to appoint committees when Parliament was not sitting. No, the Parliamentary committee system has nothing to do with Parliament; it is not in the spirit of all-party investigative committees or select committees on specific programs! It is not a matter of conferring with Parliament!

How do you appoint a committee of the Parliament without at least asking the Parliament to appoint the people who will comprise the membership of that committee?

What an outrageous problem the government presents in its attitude to Parliament, if this is the way it intends to govern: regardless of any other factor, Victoria has one person who makes all the appointments — actually he anoints people, they are not elected in any democratic process!

The vague notion abounds that when a problem arises from time to time the Premier of the day can appoint a Select Committee of the Parliament without any reference to Parliament. That is an absurd situation! What an outrageous nonsense it makes of the concept of Parliamentary democracy!

When that is drawn to everyone's attention, although it has become party policy and presumably honourable members opposite are treated as equals, it is passed through without notice. It is as if the government is making a significant concession to Parliament when it indicates it may accept the amendment.

The Bill strikes at the foundation of the concept of all-party Parliamentary committees because of that provision and because of the way the House is being used to rubber-stamp the proposal.

The Bill contains nothing which guarantees the concerns that many people who have served on Parliamentary committees have about resources to Parliament, let alone the Parliamentary committee system being used in a more efficient and effective manner.

Parliament is not being asked to consider anything other than the words of the second-reading speech. My credentials on this issue stand up under cross-examination as both a member of a committee of Parliament and as Chairperson of Committees. I have argued long and hard, as your predecessor and the Clerks can attest, for resources for committees to be used more efficiently and effectively. I have argued long and hard for the independence of Parliamentary committees, free from the executive and the shackles of both Houses of Parliament. Committees should be free to investigate matters of concern to them. I have not held these views in secret or failed to express them in the past in this Chamber or elsewhere; they are consistent views. Some honourable members opposite like to boast about their independence of view on this issue, but they never demonstrated or put those views when it was necessary to do so.

At least I can say that, when the Legal and Constitutional Committee had before it the

appointment of Mr Craven and it was put to me strongly that I should oppose his appointment because he was a member of the Liberal Party, I took the view — a view I took as a Minister of the Crown — that my departmental head might sleep with the sister of a former Prime Minister, Malcolm Fraser, but that had nothing to do with his ability to run the department. I would hate to be judged on the basis of what my brother-in-law got up to. It is important that these things be examined objectively. On the question of Mr Craven's appointment I told my colleagues in no uncertain terms that his political or religious views or his sexual preference were irrelevant and that I would not vote against him because he had a different political persuasion from mine.

Similarly, as Chairperson of the Public Bodies Review Committee I have done whatever I could in whatever forum and at whatever level I could in Parliament and the tribal meetings that comprise Parliament to direct attention to the need to use the Parliamentary committee system more effectively. Unfortunately, the State has had two long-serving Premiers: one who boasted that he had never set foot inside a library and another that he had never served on a Parliamentary committee —

Hon. G. H. Cox — They were not in balance.

Hon. W. A. LANDERYOU — I am grateful for the encouragement. The government's intentions as expressed in the second-reading speech do not marry with the Bill. I do not know how resources will be maximised by the words contained in the Bill.

I turn now to some of the principal concerns my party has. Firstly, the opposition takes the view that it is cynical to create enough committees to equate with the number of people who are on either Jeff Kennett's list or hit list. That does not seem to be in the spirit of what should prevail when the establishment of joint-party investigative Parliamentary committees is being decided. Point-scoring is part of the normal political process.

It is not usual for me to be wounded by what might be said in the heat of debate in this place, but the accusation that the opposition is shedding crocodile tears on this matter overlooks the record of consistency of some honourable members over a long period.

If a joint investigative committee is to be created, that matter should be canvassed with all members to ensure that it is not thrust down people's throats

and that a determination is made on factors other than the majority held by the government in both Houses.

The tradition of Parliament, and particularly this Chamber, has been to protect the rights of minorities and to ensure that all points of view are considered. It makes a nonsense of the concept that this is a House of review, apart from having Ministers in a House of review, when legislation is steamrolled through in the way it is being done in this Parliament.

I accept that there are those opposite who hear in this debate matters that have been raised in their Cabinet and party rooms more than once, but the facts are these: this Chamber has a proud record of debate, despite its conservative nature, and of its defence of the rights of minorities. The government's proposal, on the basis of the matters contained in the Minister's second-reading speech, is not justified. It cannot be said that the Bill will preserve Parliamentary independence. The Bill does not pretend to do anything other than to embrace the notion of a number of joint investigative committees and, mysteriously, a couple of specific purpose committees. How can a specific purpose committee be established out of a title? It is beyond me! Perhaps when we reach the Committee stage, the Minister will explain that to me.

The Labor Party is concerned that all the chairpersons have been appointed by the Premier before the matter has been canvassed in Parliament. We have an outrageous situation where it has been said that the Governor will appoint the chairmen on the recommendation of the executive because it will be inconvenient to call Parliament together. That demonstrates an appalling level of ignorance about the role of Parliament.

I accept that we all must undertake a learning curve. I have certainly been involved in a learning curve of some sort from time to time. The secretary of the Liberal Party, Mr Connard, put the argument privately to me — if I can quote him correctly — that was similar to that put by myself, as secretary of the Labor Party. I suppose that the fact that the secretaries of the three political parties are all members of this Chamber probably says more about the status attached to the position than anything else.

It is unfortunate that there has been no consultation with the secretaries of the political parties about the composition of the committees. We have now been asked to vote blindly on this proposal for up to nine

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committees — whatever that means! Who will make the decision about whether there will be eight, nine or three committees? Who will decide on who will be members of the committees and from which House will they come? In that context one would have thought there would be open, frank and free discussion. There are now only two effective forces in this Chamber, the government and the opposition, because the National Party has succumbed to the temptations of membership in a coalition government.

There are two sides to the Chamber, the government and the opposition. If there is to be a joint investigative committee system, each committee should have equal membership from the opposition and the government. That was not universally acknowledged in the initial formulation of the legislation, so anxious was the government to introduce the Bill. It is not sensible to be expected to accept the provisions of the Bill without some understanding of why there are to be nine committees.

If the Bill gives the Premier the right to anoint the chairpersons of these committees, Parliament should have some say in the number of members on each committee. One hopes that tradition will be respected. It is clear that the former structure of the investigative committees was thought through and understood and that it operated so as to give all members of Parliament some experience if they wanted to serve on committees.

No case has been made out for the creation of the two specific purpose committees, other than a general assertion with respect to one. Those two committees could be subcommittees of existing committees for which the current legislation provides. From my experience, committees work well but one must recognise that the workload of committees is not clearly understood, if one's knowledge is confined to the second-reading speech.

The legislation has been prepared in haste. A government backbencher was prepared to draft it because of his lifetime interest in this place. The Bill is cast in neither Parliamentary Counsel language nor the traditional language of this place.

The Constitution (Ministers) Bill, which will provide for more Ministers and higher salaries, reflects the government's attitude in the other place. This Bill is a matter for Parliament, not only for the Premier. As Mr Knowles said to me by way of interjection last week, it is a matter in which the executive is

removed, and rightly so. It is now proposed that the executive will determine the composition of legislation and the personnel of committees without giving any guarantees about the independence of the committees. This is of concern to me, and I have spent a long time arguing on both sides of the political spectrum for the role of independent committees to be seen by the Parliament and by the executive as independent.

I say that not because I came to this Parliament with strongly held views; I came at a time when, as now, the executive governed the life of a Parliament. A long time ago the Parliament had to struggle against the power of the Crown and, eventually, it won that battle. For the rest of my life as a member of this Chamber we will be embroiled in a struggle against the power of the executive. That is not to say that some of us were not embroiled in it over the past decade. Many people of goodwill on both sides of the Chamber have endeavoured to persuade successive shadow Treasurers and Treasurers of the need to recognise the financial independence of the Parliament.

This Bill strikes not only at the question of financial independence but also at the very nature and role of the Parliament because it is the role of the Parliament to appoint committees and committee personnel. It is not the role of the executive, let alone the executive council.

The matter of who is sent off to investigate a specific issue of importance to the House or the Parliament has nothing to do with the Governor. One wonders what sort of contemptuous mind would come to the view that it might be inconvenient to call the Parliament together at Christmas to appoint a committee to investigate a matter of public importance. That is prostituting the role of the Parliament. One has to understand the difference between the role of the government, which is to govern, and the role of the Parliament, which is to ensure that we keep the executive in check and call Ministers to account, and that specific task committees appointed by the Parliament have the freedom to operate without interference from the executive.

That freedom is compromised by the Bill. Not for one moment do I reflect on any of the people who are nominated, but I question the process. The chairmen of the committees were publicly announced before the Parliament had considered whether we should have the committees and whether there should be an alteration to the law or

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the size and composition of the committees. Taking those matters as a whole and overlooking one or two mistakes, there is the suggestion that the executive is already arrogant and will not take much notice of the Parliament and will treat it as a rubber stamp.

That view is not confined to one side of politics in Victoria or in Australia. As one who has endeavoured to serve the Parliament on both sides of the House and in different capacities, I do not believe that in the latter part of the 20th century we should try to treat even this infamous Chamber as yet another rubber stamp. Even if we make mistakes when we raise matters in the party room and then in the Lower House, we should not bring them here and use the domination of numbers to apply the guillotine to the debate.

Earlier today I appealed to the government to give honourable members more time to consider the Parliamentary Committees (Amendment) Bill. By way of defence it was put to members of the opposition, "You could have had tomorrow" and "After all, it was debated in the other place". That was put despite Standing Orders and the traditions in this place of determining matters independently of what happens in the other place. In the 16 years I have been a member of this place members of the conservative parties have always supported the view that this House must be treated as a House of review and that honourable members should review any matter independently of the process in the other place. That position has been taken despite the fact that members are locked in as part of the executive or have taken part in the decision-making process through the party room procedure to determine a collective attitude on a matter.

This is still regarded as the House of review. There cannot be any sort of review if all that the House does is correct the drafting mistakes made by Cabinet and raised through the objections of the other side in the other place. It is not much of a review if the principles involved are not debated because insufficient time is made available during which the Bill may be considered line by line or even, when it comes to a Bill relating to Parliament, word by word.

It is a matter of personal regret to me that the government has not allowed sufficient time for appropriate consideration of the Bill. I hope when the Bill is in its Committee stage sufficient time will be given for appropriate consideration of its provisions.

The government should respond at least to the matter of the provision of resources to committees. Honourable members cannot rely on just the words in the Bill because no words are included that will give us comfort. The major objection is the need to amend the Bill to delete certain words.

Hon. J. V. C. GUEST (Monash) — The last time I enjoyed a speech in Parliament as much as I have enjoyed Mr Landeryou's contribution was eight or nine years ago when I paid a visit to the House of Lords. The 100-year-old Labour peer, Lord Shinwell — the well-known Manny Shinwell — was particularly outraged by the executive members of the Lower House taking a position against the privilege, status and traditions of the House of Lords. Apparently it was announced in the House of Commons that a certain amendment would not be passed in the House of Lords. It caused a considerable delay in the proceedings because the peers did not like it. Lord Shinwell said, "People talk about abolishing this House. Perhaps it is the other place that should be abolished!".

Hon. W. A. Landeryou interjected.

Hon. J. V. C. GUEST — Mr Landeryou is a latter-day advocate for the use of Parliament —

Hon. W. A. Landeryou — You should read my maiden speech!

Hon. J. V. C. GUEST — I will forgive you the interval, then, perhaps. He obviously believes, as I have always believed, that the Upper House has a particular role to play in the work of Parliament, as distinct from the work of the executive, in performing the traditional tasks relating to Parliament.

Members of the opposition should be ashamed for opposing the Parliamentary Committees (Amendment) Bill. They should acknowledge their position as hypocritical when they complain about its being dealt with today. The issues involved are extremely well understood by all members of the House. Members of the opposition should also be ashamed to object to this Bill. When they were in government they did nothing, although they had an opportunity in 1984 and again in 1985. Motions were put to establish a committee system in this House modelled to some degree on the committee system in the Senate, but they rejected the motions. If the opposition had supported those initiatives, the reasons for Mr Landeryou's complaints would not exist.

Hon. W. A. Landeryou — Who will be appointing the committee chairmen?

Hon. J. V. C. GUEST — I will come to that later. The model for this committee system is based on the principle of a governing party which regards Parliament as an important institution and which wants its members to be employed usefully. This model was created by the previous government, of which Mr Landeryou was a member.

I will put Mr Landeryou right on a couple of matters before I outline my principal concerns. He suggested that the chairmen of committees will not be appointed in the traditional way; not true, they will be elected by the respective committees. And I asked him how the process in the lead-up to that election differs from that which has prevailed in the past ten years. Clearly there is no answer to that. The parties either agree or one has the numbers to decide the matter. If the Labor Party had wanted to change this it had the opportunity to do so when it was in government.

In supporting the Bill I do not pretend it is legislation that I would have conceived as the culmination of my campaign in this place, to have a system which monitors the executive and which may exercise some controlling scrutiny of the executive — one which is based on an important Upper House. Mr Landeryou mentioned the long-abandoned idea of having no, or no more than one or two, Ministers in this House, to make it a true House of review. This will not come about. We must accept the reality — and part of it is the history of other unsuccessful attempts to create an Upper House committee system.

The Honourable John Holt, a former Leader of the Liberal Party in the New South Wales Upper House, wanted to put emphasis on an Upper House committee system. Unfortunately, he retired hurt about 14 years ago. The fact is that when a government controls both Houses of Parliament it is unrealistic to expect that its predominant interest will be to empower a House to act independently of the government's interests.

Hon. W. A. Landeryou — We may as well not have committees.

Hon. J. V. C. GUEST — Not so. The honourable member knows perfectly well that other dynamics are involved. I am pleased that this is not a matter where one has to say simply that the Bill does this or that. There are a number of issues.

Hon. B. E. Davidson — Do you have a pecuniary interest in this?

Hon. J. V. C. GUEST — It is extremely disappointing that Mr Davidson, who is capable of better, has brought such irrelevance into a serious debate on an important part of the Parliament.

Hon. D. R. White — You don't have your snout in the trough, do you?

Hon. J. V. C. GUEST — I am responding to these interjections so they will get onto the record. The comments of the opposition are pathetically silly. They are unworthy of an opposition that has put up one of its senior members to make a heartfelt speech about the importance of committees being properly constructed. From time immemorial chairmen of committees have received additional remuneration.

Let me point out that chairmen of committees will receive less money than they received before the election because they have lost the electorate office support allowance. I am sorry for the diversion, Mr President, but I wanted it to be seen how trivial the opposition can be on an important subject.

As I have argued in the past, in the long run it would be desirable for this House to have committees so established that they could always function no matter what party were in government. The committees should also have an appropriate emphasis on the control of spending and taxing by the Parliament. It is perfectly obvious that the reorientation of the committee system that one might argue for from that point of view is not achieved by this Bill. The Bill, however, has many virtues and advantages for Parliament and for the executive.

But let me first consider what substitutes there are for a committee system, for scrutinising so as to embarrass a government, so as to discover things that governments do not want disclosed. That is what the opposition is talking about.

All honourable members will recognise that I am making this point against the sorts of arguments that I commenced putting in the late 1970s. Today we have Freedom of Information legislation and an Ombudsman as institutional ways of examining the conduct and policies of the executive government and of ensuring effective publicity to any criticisms. To that extent the kind of independent Upper House and money-oriented committee system I have previously argued for is made less necessary.

I turn to the excellent features of the Bill. I refer in particular to the establishment of the Scrutiny of Acts and Regulations Committee. The precedent for extending the modern scrutiny of regulations concerning matters of civil liberties and the power of the executive where the legislature should preferably be involved, to a scrutiny of Bills, was established in the Senate 10 or 15 years ago. It was coalition policy to establish a scrutiny of bills committee and this Bill gives effect to that commitment.

It has now been extended quite logically to the scrutiny of Acts. There is perhaps one anomaly. Proposed section 4D(d) adds to the functions of the scrutiny of bills and regulations this possible function:

to review any Act where required so to do by or under this Act, in accordance with terms of reference under which the Act is referred to the Committee.

As a matter of logic, one might have expected this to be a general reference of the whole statute book to the committee to apply to existing arrangements the principles and standards contained in section 4D in relation to Bills and regulations. I hope that power will be used by the executive to give such a reference to the Scrutiny of Acts and Regulations Committee.

As to law reform, considering the parlous state of the finances of Victoria, whole programs have to be abolished. For that as well as other reasons that have already been given, the Law Reform Commission, which spends more than \$1.5 million a year, is to be abolished. However, the saving of money through the abolition of the Law Reform Commission will leave something of a gap in the law reform program of the State. I hope some of the resources that have been available to the Law Reform Commission can be used to achieve at least as scholarly, and a cheaper, speedier and more effective system of law reform through the Parliamentary Law Reform Committee.

Resources are important. The Law Reform Committee, like the Law Reform Commission, will have to employ professionals: academics, and possibly practising lawyers for its work. Instead of paying the chairman the salary of a Supreme Court judge, an extra \$6500 on top of a member of Parliament's salary is a good start in keeping the whole structure running at a reasonable cost.

Hon. W. A. Landeryou — You have achieved your aim. You are a Supreme Court judge at last!

Hon. J. V. C. GUEST — I can assure the honourable member that that has never been my ambition. I am delighted that the Law Reform Committee has been able to persuade people of great talent to accept appointment. In due course those people appointed will have their names put before the House or the other place for appointment to the committee.

Hon. W. A. Landeryou — It is part of the Parliamentary process at last. You have picked the team and it will be rubber-stamped.

Hon. J. V. C. GUEST — I will be very happy to let Mr Landeryou describe how in the past the ALP had people appointed to committees other than by way of a political rubber stamp. All the committees have tasks and functions that relate to important issues for good government. That is why we need a good committee system both for the executive and for the Parliament. There is obviously tension between the role of the committee in checking on the executive government and government policy and the role of the committee in doing a good job for the government, as was usually the case under the previous government, in finding a bipartisan solution on a particular reference. It is possible to make that tension creative.

Career structures have been referred to. A career structure may include pinnacles of a career path in the foothills as well as stations on a mountain railway. The chairman of a Parliamentary committee that can use people's valuable talents and time to arrive at solutions — one hopes bipartisan solutions to important questions has a position worth aspiring to.

As Mr Landeryou has suggested, there are a number of matters one would like to have dealt with, if not in the Bill then at least by way of assurances in the second-reading notes. But, as has been pointed out, the committees could be established by Parliament in any event, without an Act of Parliament. I would have thought that Mr Landeryou ought to join in taking comfort from the fact that Parliament is enshrining the committees in law.

Hon. W. A. Landeryou — Committees appointed by Jeff, paid for by Jeff and examining issues set by Jeff.

Hon. J. V. C. GUEST — Let me put Mr Landeryou right. A lot of the credit for designing a committee system acceptable to the executive government and to the Parliament should go to

Mr Birrell. Needless to say, he consulted widely. An awful lot of people did not get everything they wanted, but that is the nature of the political process. I am anxious that legislation will eventually enshrine the provision of resources for committees, as Mr Landeryou was suggesting. The Constitution Act provides resources for the Clerks, and a special appropriation — perhaps a multiple of a member's salary — should be provided for committees in perpetuity.

I want to ensure that committees can continue to work even when the government does not have a majority in both Houses. Committees such as the Public Accounts and Estimates Committee and the Scrutiny of Acts and Regulations Committee should be under the control of this House and they should be funded permanently so that they can exist even if the Assembly refuses to appoint members to them. They are the fundamentally and traditionally important committees from an opposition point of view.

Hon. W. A. Landeryou — Did you get knocked off in the party room?

Hon. J. V. C. GUEST — It is no secret that these are matters for continued discussion. The committee system must be set up at this stage without all the frills and accessories, and other matters can be considered later.

The Bill is a good start in launching effectively the renewed committee system; however, as Mr Landeryou well knows, the success of the committees will depend on the work of their members and the ability of their chairmen to foster goodwill, cooperation and intellectual honesty. Members of the committees must want to achieve something useful rather than simply engaging in political argument. Members must realise that committees do not have credibility if recommendations are rammed through on the basis of party majority.

Hon. W. A. Landeryou — That is the point I was making this morning.

Hon. J. V. C. GUEST — But yours is not a valid point because it makes no difference if the majority is achieved by a casting vote. If a minority of members of a committee has a good argument, a minority report can be put forward, but the credibility of a committee is damaged if it cannot find consensus.

Regardless of what it does not do, the Bill will provide a committee system which, as far as it goes, will be useful to the executive government.

Sitting suspended 12.58 p.m. until 2.2 p.m.

Debate interrupted.

TELEVISION OF PROCEEDINGS

The PRESIDENT — Order! I have given permission for Channel 10 to film proceedings of this House, only for the purpose of background film; there will be no sound recording.

PARLIAMENTARY COMMITTEES (AMENDMENT) BILL

Second reading

Debate resumed.

Hon. D. R. WHITE (Doutta Galla) — The Parliamentary Committees (Amendment) Bill proposes that the number of committees be extended from five to nine. The opposition opposes that measure. The history of Parliamentary committees over the past 20 years in Victoria has been a mixed one. The basis upon which this new committee system is being established leaves one with misgivings.

The people being appointed are not destined as part of a career structure to become Ministers of the Crown. Mr Ashman will not become a Minister of the Crown. The honourable member for Mornington, Robin Cooper, has already been dropped from the shadow Cabinet and is not destined to be recycled. Mr Guest has been here for 16 years and, as has been pointed out on more than one occasion by honourable members opposite, is not destined to become a Minister — although some hold out the hope that he may be anointed!

The honourable member for Mordialloc, Geoff Leigh, will not become — —

Honourable members interjecting.

Hon. D. R. WHITE — The honourable member for Bulleen, David Perrin, has been dropped from the shadow Cabinet where he was when in opposition; he will not be recycled. The honourable member for Doncaster, Victor Perton, has a mixed reception in the coalition party room. Mr Ken Smith thought he would be anointed on this occasion, but

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was disappointed he did not get more than he actually got.

The honourable member for Forest Hill, John Richardson, has gone into the Parliamentary dining room, and said — and I quote him — “I will never be a Minister of the Crown so long as Jeff Kennett is Leader”.

Mr Graeme Weideman was a Minister in a previous Liberal administration but is not favoured and will not be recalled, as he has often pointed out. The notion that this Bill establishes a career structure is totally incorrect. These are not the people of the future. These are not the people who will be on the frontbench this decade or any other decade.

Some Parliamentary committees have not distinguished themselves during the history of Parliament. A Parliamentary committee that operated under the previous Liberal administration, the Statute Law Revision Committee, visited Brisbane during its deliberations to study the role of the Upper House. The only problem, of course, is that Queensland does not have an Upper House. That committee’s explanation for going to Brisbane was that it wanted to study a Parliament that did not have an Upper House; however, it was the second year in succession that the committee had visited Queensland. The explanation was that one would not go to Sydney during the winter!

The Statute Law Revision Committee put a request to the then Premier, the Honourable Rupert Hamer, for its members to visit Uganda and London to study the bill of rights. It wanted to go to Uganda! When it became clear that the then State Parliamentary reporter, Russell Skelton, was aware of this submission the then Premier refused permission for the committee to go to Uganda. It was reported that the deliberations on the committee between two of its distinguished members went something like this: “We have to find out who ratted — whether it was one of yours or one of ours.”

Another feature of the operation of that committee and a number of other committees is that their members gave the appearance of being workaholics because they wanted to meet every day for 45 minutes.

Hon. M. A. Birrell — What about the cemeteries committee?

Hon. D. R. WHITE — I will come to the cemeteries committee. The Statute Law Revision

Committee met for 45 minutes four days a week because that was the minimum time required to earn the sitting fee. During its deliberations it was often the case that members of the committee read the paper and did not do any work.

It was also true that members of the Statute Law Revision Committee and other Parliamentary committees changed their residential addresses so that they could qualify for a travelling allowance for commuting from outside the metropolitan area. It is also clear, as the Leader of the Government said, that the cemeteries committee had an expedition —

Hon. Rosemary Varty — It was one of yours.

Hon. D. R. WHITE — It was ably supported by a former colleague in this place, Mr Miles, at all times. The cemeteries committee was also a rorts committee.

I acknowledge that a minority of committees have made worthy achievements: the Road Safety Committee during the 1970s was responsible for the compulsory seat belt legislation; the Public Bodies Review Committee from 1979 to 1982 and, more recently, the Social Development Committee, inquired into a range of social issues and made some notable recommendations on in-vitro fertilisation and dying with dignity or, as the Leader of the Government would say, putting somebody to rest.

We do not share the confidence of the government that the proposed Parliamentary committees or their chairmen will produce a range of outcomes and activities that will give Parliament a better standing. The history of Parliamentary committees shows that few do that. The manner of appointments suggests a case of the snouts being in the trough, which is not an adequate basis for the restructure of Parliamentary committees.

The nine proposed chairmen were unsuccessful in obtaining positions as Parliamentary secretaries or Cabinet Ministers and a spot had to be found for them. Parliamentary committees were proposed that will accommodate the range of individuals who were not chosen for appointment as Ministers or Parliamentary secretaries. They have already been selected. They are not the people who will be part of the future. They will not lead the Parliamentary committees well. There may be one or two who will be exceptions because they will be productive, but from the point of view of both Parliament and the community the overwhelming majority will be unproductive.

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Nothing in the records of the proposed chairmen suggests they will be productive. If they were they would not be in the thirds! They are in the thirds because they were not good enough to make the seconds — the Parliamentary secretaries. However, there is hardly one person in the Parliamentary secretaries group who would make an adequate committee chairman.

The opposition is opposed to the establishment of nine committees. It does not believe they are justified. As Mr Landeryou has said there are deficiencies in the way in which the committees are to be established by an Order in Council. Obviously that needs to be dealt with and although we as members of the opposition will be participating on the Parliamentary committees, we will be ensuring that our members do not condone or become part of any rorts similar to those that existed in the past on the Mortuary Industry and Cemeteries Joint Select Committee or the Statute Law Revision Committee. Rorts had been endemic across Parliamentary committees. That cannot be condoned. Unfortunately the manner in which these committees have been established does not bode well for the system. It should be elevated to a higher status than any of the proposed chairmen can provide and for those reasons we oppose the Bill.

House divided on motion:

Ayes, 28

Asher, Ms	Evans, Mr
Ashman, Mr (Teller)	Forwood, Mr
Atkinson, Mr	Guest, Mr
Baxter, Mr	Hall, Mr
Best, Mr	Hallam, Mr
Birrell, Mr	Hartigan, Mr
Bishop, Mr	Knowles, Mr
Bowden, Mr	Skeggs, Mr
Brideson, Mr	Stoney, Mr
Connard, Mr	Storey, Mr
Cox, Mr	Strong, Mr
Craige, Mr (Teller)	Varty, Mrs
Davis, Mr	Wells, Dr
de Fegely, Mr	Wilding, Mrs

Noes, 13

Davidson, Mr	Mier, Mr
Henshaw, Mr	Nardella, Mr (Teller)
Hogg, Mrs	Power, Mr (Teller)
Ives, Mr	Pullen, Mr
Kokocinski, Ms	Theophanous, Mr
Landeryou, Mr	White, Mr
McLean, Mrs	

Pair

Smith, Mr

Walpole, Mr

Motion agreed to.

Read second time.

Ordered to be committed later this day.

PARLIAMENTARY SALARIES AND SUPERANNUATION (FURTHER AMENDMENT) BILL

Second reading

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That this Bill be now read a second time.

The purpose of the Bill is to create the office of Parliamentary secretary. The Bill also creates the position of Chairman of Select Committee to reflect the importance the government places on the role of such committees in the Parliamentary system.

The payment of additional salary and expense allowances under the Parliamentary Salaries and Superannuation Act has also been revised and the remuneration entitlements for a number of offices have been reduced. This administration takes credit for being the first in a long while to reduce some of the entitlements of members of Parliament. The measure demonstrates the government's commitment to setting an example of expenditure restraint.

While the objective of the amendment before the House is to create a new office, it is the purpose behind that which is important.

The new system of Parliamentary secretaries will assist my government to come to terms with the problems confronting Victoria. Parliamentary secretaries will operate to assist Ministers in key portfolios. They will bring together an accurate picture of the administrative and financial state of affairs falling within those Ministers' responsibilities.

Parliamentary secretaries will be able to carry part of the administrative load for Ministers to free them up to concentrate on the critical issues with which they are confronted.

A system of Parliamentary secretaries is not new to the Westminster tradition and has operated

successfully at the Commonwealth level for a number of years now.

As honourable members will know, it is the government's intention to move small amendments during the Committee stage with respect to the offices of Deputy Leader of the Majority Party and senior Parliamentary secretary.

This measure is one of many my government will adopt to tackle the problems facing Victoria.

I commend the Bill to the House.

Hon. D. R. WHITE (Doutta Galla) — I move:

That the debate be now adjourned.

I suggest that the debate be adjourned until Tuesday, 10 November. In doing so I indicate that there is no mandate for this particular piece of legislation. There is widespread community concern about it. The second-reading speech is full of inconsistency and hypocrisy because it describes this measure as demonstrating the government's expenditure restraint. Nobody could possibly say that when seven government members will be given a \$200 a week pay increase and nine government members will be given a \$60 a week committee fee increase.

The community is entitled to have an opportunity of considering the Parliamentary Salaries and Superannuation (Further Amendment) Bill. Members of the Upper House are entitled to have an opportunity of considering the proposed legislation. Mr Gude in another place has refused his salary increase. No mention is made in the second-reading notes of the intention to introduce an amendment to the Bill to reduce that salary.

Hon. M. A. Birrell — Yes, there is — it is the second-last paragraph.

Hon. D. R. WHITE — Correction.

Hon. M. A. Birrell — Apology — you are wrong!

Hon. D. R. WHITE — You don't have a mandate for this Bill —

Hon. M. A. Birrell — Apologise for your mistake.

Hon. D. R. WHITE — Apologise for introducing a Bill for which you do not have a mandate! It is a

dishonest piece of legislation; it is a piece of legislation —

The PRESIDENT — Order! The motion before the House relates to the adjournment of the debate and the suggestion that it be adjourned until next Tuesday. It is not an occasion on which to canvass issues other than to say, as the Leader of the Opposition has, that the matter is of such moment that further time is required during which it may be considered. I ask honourable members to confine their remarks to the motion.

Hon. D. R. WHITE — When an outrageous, dishonest piece of legislation — that has nothing to do with the administration of government other than to put a few snouts in the trough — is introduced, the community of Victoria has a right to have the opportunity of considering the measure. The people of Victoria have a right to put pressure on those who have their snouts in the trough so that they may consider, as Mr Gude has —

Hon. J. V. C. Guest interjected.

Hon. D. R. WHITE — It is wonderful to hear an interjection from Mr Guest. He is one of those who has his snout in the trough. I ask: under what possible circumstance does he need an additional salary on top of the increase that he will get anyway? In the normal course, he will get an extra \$60 a week and it is totally unjustified that now he is putting up his hand for another \$60 a week as payment for being the chairman of a committee. It is a clear case of dishonesty by a government that does not deserve any support for the proposed legislation.

Members of the community are gravely concerned about the measure. On the one hand, members of the government have said that the community should be sharing the tax burden and on the other hand that members of the government should have their snouts in the trough. Members of the opposition deserve time to peruse the proposed legislation. Members of the Upper House and of the community in general deserve time to do so. It is outrageous that honourable members have to meet here today without the opportunity of more than a few minutes to peruse the second-reading speech. The Leader of the Government will argue that we could have had access to it yesterday; the opposition is being given one day's consideration of a major piece of legislation, when he never sought less than two weeks adjournment on every major piece of legislation introduced when we were in government. Over the past ten years we never got

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through a major piece of legislation without five to eight weeks of debate and often a Bill had to lie over between sessions before we considered it.

The Bill deserves better consideration by this House and by the Victorian community. The opposition is totally opposed to the notion that the Bill should be steamrolled through. Members of the opposition will ensure that the matter becomes a community issue whatever happens to the legislation today. We are totally opposed to its being forced upon us today and seek an adjournment of the debate until next Tuesday.

The PRESIDENT — Order! Under Sessional Orders, 2.30 p.m. is the time for questions without notice to begin. As it is almost that time, I must interrupt debate. I will call Mr Pullen when the debate resumes after question time.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

WORKCOVER

Hon. B. W. MIER (Waverley) — I direct my question to the Minister responsible for WorkCare, which will be known in the future as WorkCover. I listened with interest this morning to the Minister's interview on ABC radio and to his explanation of the methods he intended to use to overcome what he claims to be tremendous overspending within WorkCare.

He said to the interviewer, Ranauld Macdonald, that in his opinion this could be overcome by simply changing the interpretation of the definition of "injury" and changing the implementation of common-law actions.

Will the Minister, when he introduces the new WorkCover system, revert to the private insurers coverage of WorkCare? If so, will the old system of collecting premiums be based on the number of people employed by individual employers or will it be based on the principle that has been established; that is, on payroll turnover?

Hon. J. V. C. Guest — Ask the question.

The PRESIDENT — Order! I think the honourable member has asked several questions.

Hon. B. W. MIER — I have not; I have asked one question.

The PRESIDENT — Order! I could have ruled the question out of order initially because of its very long preamble. I have tried to give the member some latitude and I ask that he be succinct in putting his question to the Minister.

Hon. B. W. MIER — If the government intends to revert to the private insurers provision, what action will the Minister take to eliminate the wholesale premium evasion that took place under the old workers compensation legislation?

Hon. R. M. HALLAM (Minister responsible for WorkCare) — I am intrigued by the preamble to the question. I think the honourable member said that I had discussed the definition of "injury" in the interview by Ranauld Macdonald, but I cannot recall referring to that during the entire interview.

Hon. B. W. Mier — You said it was going to be based on the AMA.

Hon. R. M. HALLAM — The interview was about retrospectivity and the common law. I am not sure what the honourable member is asking, but if he is asking whether the government intends to reintroduce private underwriting — —

Hon. B. W. Mier — No.

Hon. R. M. HALLAM — I am having difficulty understanding what the member is asking. I think he asked whether the government intended to introduce the private insurers provisions.

Hon. B. W. Mier — Of the old compensation legislation.

Hon. R. M. HALLAM — That makes it even more confusing. The government is not considering introducing private sector underwriting. I have mentioned many times that important features of the New South Wales WorkCover system will be introduced. The name change from WorkCare to WorkCover is not cosmetic but indicates that the government intends to import the best features of the New South Wales system.

One of those features is that the underwriting will be retained by the central authority. If the member is asking whether private insurers will be underwriting the new WorkCover scheme in the State, I repeat that the answer is no. The government

will not consider that until such time as the system is fully funded and stable.

PORT OF GEELONG AUTHORITY

Hon. W. A. N. HARTIGAN (Geelong) — On 24 September the Minister for Roads and Ports released the government's policy on ports in Geelong. Among other things, the policy stated the government's intention to have the Port of Geelong Authority divest itself of its interest in the stevedoring operation known as Federated Stevedores Geelong. Will the Minister advise the House of progress on that matter?

Hon. W. R. BAXTER (Minister for Roads and Ports) — As Mr Hartigan said, when I launched the coalition's policy on ports in Geelong on 24 September I said that part of its policy, if elected, was to have the Port of Geelong Authority over time divest itself of its interest in the Federated Stevedores Geelong (FSG), a partnership between the Port of Geelong Authority and the Waterside Workers Federation of Australia. My announcement caused a deal of concern, which I suppose was to be expected. Some of the local union officials resorted to making threats against me in the *Geelong Advertiser*.

I am pleased to inform the House that progress has been rapid. I congratulate the Port of Geelong Authority for acting on the new government's policy. I also congratulate the Waterside Workers Federation in Geelong, which accepted that this would occur and took steps to facilitate it by withdrawing its share from FSG, as has the Port of Geelong Authority.

The Waterside Workers Federation has concluded an enterprise-based agreement with Conaust Ltd and Strang Patrick Stevedoring Pty Ltd to provide stevedoring services in Geelong and Portland. The liabilities amounting to some \$4 million which attach to FSG for superannuation and the like will be transferred to Strang and Conaust. I believe there will be a considerable saving as a result of the removal of a potential liability resting on the public of the State of Victoria. I expect the new operation to commence by the end of the month.

I reiterate my commendation of the Port of Geelong Authority for the expeditious way it has moved to assist in the implementation of the new government's policy, and to the Waterside Workers Federation in Geelong for the part it has played in the change.

SOUTHBANK MUSEUM

Hon. R. S. IVES (Eumemmerring) — Will the Minister for Major Projects advise the House of the response of the Major Projects Unit to any request as to the suitability of the foundation of the Southbank museum site for a casino building?

Hon. M. A. BIRRELL (Minister for Major Projects) — Mr Ives has asked me what was the response of the Major Projects Unit, now known as the Office of Major Projects, to what?

Hon. R. S. Ives — Any requests — —

Hon. M. A. BIRRELL — About putting what there?

Hon. R. S. Ives — The suitability of the foundation of the Southbank museum site for a possible casino building.

Hon. M. A. BIRRELL — Both the question and its content come as a surprise to me. The issue of a museum on the Southbank site is under review and a decision about a casino will be heavily influenced by the casino authority. That decision will be taken by the Minister for Gaming, who would know the dates better than I, around August or September of next year.

The authority is considering a large number of sites put to it by bidders and in relation to which there is only one criterion: that they are within 3 kilometres of the General Post Office. That is not in my domain at all, but is a responsibility of the Minister for Gaming.

The government has consistently said two things on the record on the issue of the museum: that despite spending millions of dollars and making almost as many promises our predecessors did not build a museum in more than 10 years in office; and, that we are now reviewing the mess we have inherited to try, as we are doing with all other major projects, to get us out of the hole that the Labor government dug.

LIFE FORCE RADIO PROGRAM

Hon. P. R. DAVIS (Gippsland) — Will the Minister for Conservation and Environment advise the House what action he intends to take on his department's funding of the *Life Force* radio program?

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Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I thank the honourable member for his interest in the funding priorities of the department. Considering the bad budgetary position forced upon us, the last thing we need is poor spending priorities in the department. As I reported to the House yesterday, tragically 75 per cent of the department's advertising budget was spent by our Labor Party predecessors in the three months prior to the last State election. On top of that, an analysis of the advertising budget has revealed some other inconsistencies and poor priorities, which we intend to stop.

The previous government entered into a contract, unannounced at the time, with a private firm to produce a program known as *Life Force*. *Life Force* is a weekly radio program produced on behalf of the former Department of Conservation and Environment and the former Department of Planning and Housing by Media Concept Pty Ltd and focusing on environmental and urban issues. The show is broadcast each Sunday on 3AW between the hours of 11 a.m. and 12 noon.

In the past it has not been acknowledged in the show that it is funded by the State government of Victoria. The average person listening to the program would have gained the impression that it was an independent environmental program. In fact, it was paid for by the taxpayers and largely used by our predecessors as an avenue to promote themselves, to get coverage; they had to pay for such coverage.

In a real sense that program cost the State an arm and a leg. The program commenced on 24 March 1991 and was initially to be for a period of 12 weeks at a total cost to the taxpayer of \$51 923. This arrangement was subsequently extended by the Labor government on two occasions: it was extended from 10 June 1991 to 1 September 1991, a period of 12 weeks, at a cost of \$51 923; and it was extended from 8 September 1991 to 30 June 1992, a period of 43 weeks, at a cost of \$157 500 to the taxpayer. This was all for a 1-hour radio program designed to give the government an image it could not convey on programs it did not pay for. It did this using our money.

A further agreement was negotiated for the show to continue running from 1 July 1992 until 31 December 1992. The total cost was \$95 238. This was split between my department and the Department of Planning and Development, as it is now known. As per the agreement, my department made

part-payments on 31 July 1992 and on 11 September 1992 to the producer of the program; they totalled \$63 492.

I am pleased to be able to advise the House that we can bring this expenditure to an end. This government does not need to buy radio programs to get publicity and, unlike its predecessor, will not use the cheque book in such a devious fashion. We believe this to be a simple example of poor priorities in the use of public funds — something the department and the State of Victoria cannot afford in tough times.

We regret the fact that we were encumbered with this contract, and we are still encumbered with some expenses resulting from ending the contract. But clearly it is in the public interest not to let it continue. I make no criticism of the producer who put this program together and who entered into a deal with the government, and I make no criticism of 3AW, which saw the deal as advantageous, but the public of Victoria could do nothing other than criticise our predecessors, who have been caught out by their own publicity. The head of my department will write to the producers at Media Concept Pty Ltd thanking them for their work but making it quite clear that we do not need an ongoing program, we do not need this ongoing wastage of public funds, and we are not in the position of our predecessors, having to throw public money away because it is the only way we can get our message across.

SEACAT OPERATIONS

Hon. B. E. DAVIDSON (Chelsea) — The Minister for Roads and Ports will be aware of SeaCat operations out of Port Welshpool. Will the Minister, for the benefit of the House, tell us whether any special operating codes apply to the SeaCat — for instance, special speed limits or navigational limits not pertaining to other shipping? If so, will he tell us what they are? If not, will he outline the general operation under which the facilities of Welshpool are used?

Hon. W. R. BAXTER (Minister for Roads and Ports) — Mr Davidson has asked me a question that goes to a matter of considerable detail which I do not have at my fingertips. The operation of the SeaCat is not a matter to which I have given any attention. I suggest that Mr Davidson put the question on notice and I shall facilitate an answer without delay.

WORKCARE COSTS

Hon. B. N. ATKINSON (Koonung) — Will the Minister responsible for WorkCare advise the House of the financial costs associated with common-law benefits and how he intends to address the problem?

Hon. R. M. HALLAM (Minister responsible for WorkCare) — It is intriguing that the issue of common law in WorkCare is such a vexed one since it was supposed to be a no-fault system. In 1985 when the WorkCare legislation was developed in Parliament, part of the motivation for the system was that it would be a no-fault system, that it would remove the litigation from the process and that it would be more efficient and effective as a result.

I am intrigued to learn that in recent years the cost of common law in WorkCare has been increasing dramatically. For example, in 1990-91 total common-law costs in WorkCare amounted to \$97.1 million, and by 1991-92 that had increased to \$169.1 million. I learned from the latest budget of the Accident Compensation Commission that it is anticipated that common-law costs will amount to \$204.4 million in the current financial year.

It is clear that the cost of common law has doubled in two years. According to the annual report of the Accident Compensation Commission, it now costs 49 cents to deliver \$1 of benefit to an injured worker.

The government is now trying to grapple with the problem, and it is interesting to note that the previous government also intended to deal with the exploding common-law costs. That had to be done because the then Premier, Ms Kirner, agreed with Mr Halfpenny that the levy rate should be cut by the equivalent of 0.3 to 0.4 per cent of wages.

I am advised that the Labor government's proposal was that there should be a minimum settlement for damages of \$50 000, below which no damages would be paid. That is similar to the Transport Accident Commission model. The information I am providing to the House comes from a document I obtained through the freedom of information legislation when I was in opposition. I have the document with me, and it comprises a memo from Mr Marc Robinson, the then Director of the WorkCare Coordination Unit of the then Department of Labour. The handwritten date on the front of the memo appears to be 27 March 1992.

The memo explains that the government and the Trades Hall Council had been unable to agree on a

single package. It recommends that the then government:

... continue the work of the government/THC working party to identify options to achieve a saving of 0.3 per cent — 0.4 per cent. The only obvious way to do this is ... by withdrawing offsets previously offered for removing access to common-law damages awards below \$50 000.

The former government had \$50 000 on the table as a proposed minimum award. That is even higher than the minimum award of the Transport Accident Commission. Apparently no agreement was reached with the Trades Hall Council, so the former government simply rolled over, even though the then Premier had previously committed it to a 0.3 to 0.4 per cent cut in the levy.

It is clear that the Labor Party left WorkCare, and common law in particular, as a time bomb in the path of the incoming government. It is yet another financial disaster confronting the coalition government that will be addressed by the government.

PUBLIC HOUSING REDEVELOPMENT PROGRAM

Hon. LICIA KOKOCINSKI (Melbourne West) — I understand that on a number of occasions the Minister for Housing has committed the coalition government to the maintenance of the public housing redevelopment program. Given the importance of the program, particularly to people living in areas such as Braybrook and Maidstone, will the Minister give a guarantee to public housing tenants that the relocation policy negotiated and agreed to by the previous Minister will be honoured and implemented?

Hon. R. I. KNOWLES (Minister for Housing) — The government is committed to the redevelopment of old and inappropriate public housing. The government's policy is that tenants will be consulted when public housing stock is to be redeveloped; and we will provide suitable alternative accommodation while that redevelopment is taking place. As well, those tenants will be given the first choice of moving back into the redeveloped housing stock.

I have received a briefing note on the relocation policy from the department, and discussions are under way. As I said, the government is committed to consultation, but we must ensure that sensible and rational decisions are made within the

particular time frame to allow public housing stock to be redeveloped, particularly when good contractual arrangements can be entered into, given the slump in the building industry.

CASTLEMAINE STATE FESTIVAL

Hon. G. P. CONNARD (Higinbotham) — I ask the Minister for the Arts whether he and his department support the Castlemaine State Festival. If so, has the festival justified that support?

Hon. HADDON STOREY (Minister for the Arts) — I thank Mr Connard for the favour of a question, given that it is the first question he has asked in 10 years.

Hon. M. A. Birrell — Let's hope it's not the last!

Hon. HADDON STOREY — He has made a good start; we can expect another in 10 years time.

Hon. G. P. Connard — It represents 10 years of research, Minister!

Hon. HADDON STOREY — The State government supports the Castlemaine State Festival, which is a good example of what a community can do through hard work, dedication and application. The 15 000 residents of Castlemaine have been responsible for developing an outstanding festival, which brings a great deal of joy to thousands of people and credit to the town.

The biennial festival began in a small way in 1976 and has grown each year since; this year will see the biggest festival on record. The organisers of the festival have brought together an outstanding collection of performers, exhibitions and shows, ranging from the Melbourne Symphony Orchestra and the Victorian State Opera to jazz and folk music. The art exhibitions include the first major exhibition since 1945 of the watercolours of Harold P. Herbert. All of that has been done on a shoestring budget by a small band of dedicated people.

The festival has a Melbourne committee and a Castlemaine committee. The two chairmen, Mr Berek Segan and Mr Ian O'Halloran, and the manager of festival administration, Ms Phee Broadway, are to be commended for the excellent work they have done.

A small group of people, with strong support from the local council and the community, has been able to organise a festival that provides a feast of

entertainment and exposure to a whole range of art forms. If other communities can get together and do the same thing it will enhance the standing that Victoria has as the cultural centre of Australia. It will also demonstrate that large government handouts are not required to provide something that is of benefit to the whole community.

STATE DEFICIT LEVY

Hon. PAT POWER (Jika Jika) — I refer the Minister for Local Government to a report in today's *Age*, of which I am sure the Minister for Roads and Ports and Mr Stoney are aware, in which the Shire of Myrtleford — —

Hon. W. R. Baxter — It's not in my electorate!

Hon. PAT POWER — The Shire of Myrtleford has expressed its resentment at the State government's lack of consultation over the introduction of the \$100 Kennett home tax and asserts that the government is meddling in the powers of local governments to set rates. What is the Minister's response to this alarming report and does he anticipate a similar outbreak of comments from other municipalities?

Hon. R. M. HALLAM (Minister for Local Government) — I do not accept the assertion from the Shire of Myrtleford that the State deficit levy is meddling in the affairs of local government because one feature of the levy is that it is separate from municipal rates. What the government has done, as was reported to the House yesterday — —

Hon. Pat Power — If you had consulted with them you would have understood them. Obviously you have not consulted!

Hon. R. M. HALLAM — Wait on, I am coming to that point. The government advised the House that it had chosen the process of local government because, having made the decision to impose the deficit levy, it made good sense to use the system that was already there. Given that the government has the responsibility to make government efficient, it will employ that principle in administering the State deficit levy.

On the second issue of consultation, I advise the House that there has been extensive and almost continuing consultation with local government and that has continued until as recently as this morning. Consultation will continue until such time as the draft Bill is brought to the House at which time I will

be delighted to take up the specific issues raised by opposition members.

HOME AND COMMUNITY CARE PROGRAM

Hon. C. A. STRONG (Higinbotham) — I refer the Minister for Aged Care to the home and community care (HACC) program. Will the Minister inform the House of action taken to ensure that the provision of HACC services remains equitable and affordable?

Hon. R. I. KNOWLES (Minister for Aged Care) — Many honourable members will be aware of concern about different levels of charges being applied by different home and community care providers. The Outer Eastern Municipalities Association received funding to conduct a study into how a more appropriate mechanism could be obtained for setting fees to ensure that some equity was achieved. The report, carried out by Sach and Associates Pty Ltd, was completed earlier this year. The report analysed key local government issues concerning the charging of fees to consumers of HACC services and proposed a number of options for establishing a more uniform fee structure across the State so that equity can be achieved.

The 1992-93 HACC annual plan identifies the development of a user-fee policy as a key policy priority for the 1992-93 financial year. Officers of my department and the Commonwealth department are working together to move on from this report and establish a uniform approach. Because of the concern of the Federal department to establish a uniform approach we are keen to work with it to achieve that common position.

The fees policy will accord with guidelines laid down by the Federal department and we will be guided by the work carried out by the Australian Pensioners and Superannuants Federation on the effects of user fees on the care of older people in the community. The end result will be the achievement of some equity in the fees charged for HACC services across the State.

PARLIAMENTARY SALARIES AND SUPERANNUATION (FURTHER AMENDMENT) BILL

Second reading

Debate resumed.

Hon. B. T. PULLEN (Melbourne) — On the question of time for the resumption of the debate, whatever might be said about the other parts of the package it should be said that the government has no mandate for this Bill. It was not presented to the people before the election and they had no knowledge of the changes intended by the government. It is therefore important that sufficient time is made available for this measure to be examined by the community so that some considered view can be expressed about it. In a sense it is in the interests of the government to provide that time.

The community has extreme cynicism about this package of measures. Basically it regards them as no more and no less than a method of providing benefits to members of the coalition who failed to get some of the major prizes. If any argument can be put to show that this measure has some long-term benefit and if there is any credibility in the view that it provides a Parliamentary career structure or any view at all to support this Bill, it is in the interests of the government to provide time for the community to digest its contents. By rushing it through, guillotining the debate and not permitting due processes in this House the government is adding to the cynicism of the community. It exacerbates the strongly held view in the community that it is no more and no less than a payback for services rendered. If the government is to gain some credibility for this measure it would be well advised to accept the opposition's suggestion about delaying its consideration until Tuesday.

Some people would say that is the bare minimum of time that should be allowed for consideration of a measure of this kind. Those few days are probably not enough. If it is rushed through it is transparently obvious that the government is not prepared to provide the community with a suitable opportunity to discuss the matter and it will give even more credence to the notion that it is simply a measure to provide benefits to those members of the coalition who are part of the trough faction and who failed to get any of the large prizes.

Hon. HADDON STOREY (Minister for the Arts) — The breathtaking hypocrisy of the opposition on this issue is amazing. On no other issue has the opposition made its opposition more clear than on this one. It is clearly trying to seek an adjournment so that it can continue its campaign of misleading the community about this measure, distorting the issue and trying to make political capital from it. When in government the opposition

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did not face the electors; it was not prepared to bring in legislation and spent countless millions of dollars on all sorts of dodges, perks and offices being created for its members.

It is clear that the legislation is simple and straightforward. No-one has the slightest doubt about it. Debate should proceed today. Nothing will happen between now and next Tuesday to alter the attitude of the opposition towards this legislation.

The opposition is in no way sincere when it says it wants an adjournment to have further public discussion. Its position has been made patently clear in the other place and in the public arena. The sooner the Bill goes forward, the better.

The PRESIDENT — Order! The question is:

That the debate be now adjourned.

Motion agreed to and debate adjourned.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That the debate be adjourned until later this day.

House divided on motion:

Ayes, 29

Asher, Ms	Forwood, Mr
Ashman, Mr	Guest, Mr
Atkinson, Mr	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr	Hartigan, Mr (<i>Teller</i>)
Birrell, Mr	Knowles, Mr
Bishop, Mr	Skeggs, Mr
Bowden, Mr	Smith, Mr
Bridson, Mr	Stoney, Mr
Connard, Mr	Storey, Mr
Cox, Mr	Strong, Mr
Craige, Mr	Varty, Mrs
Davis, Mr (<i>Teller</i>)	Wells, Dr
de Fegely, Mr	Wilding, Mrs
Evans, Mr	

Noes, 14

Davidson, Mr	Mier, Mr (<i>Teller</i>)
Henshaw, Mr	Nardella, Mr
Hogg, Mrs	Power, Mr
Ives, Mr (<i>Teller</i>)	Pullen, Mr
Kokocinski, Ms	Theophanous, Mr
Landeryou, Mr	Walpole, Mr
McLean, Mrs	White, Mr

Motion agreed to and debate adjourned until later this day.

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Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — This is my first opportunity to congratulate you, Mr Chairman, on your appointment. I shall comment first on some of the speeches made during the second-reading debate by Mr Landeryou, Mr Guest and Mr White.

Mr Landeryou raised four substantive points to which I shall reply because I respect his credibility on this issue. Firstly, he raised the matter of the appointment of a Parliamentary committee made by the Governor in Council. It is correct that under the Bill — —

Hon. B. E. Davidson interjected.

Hon. M. A. BIRRELL — I am allowed to make some comments while the Committee is examining clause 2 to assist the Committee. Mr Landeryou raised the matter of appointments made by the Governor in Council. He is correct that concerns have been expressed about this provision, but it was never intended to create that concern. The provision was a genuine attempt to allow flexibility in the establishment of a Parliamentary committee, presumably by agreement between the parties, at a time when Parliament was not sitting and when it was thought that that would be an ideal way of inquiring into an issue. Under the existing Act there is no provision to do that. Concerns have been expressed by the honourable member for Coburg in another place, Mr Landeryou and Mr White about the potential for abuse of the system — even though that was not intended. I flag the issue for future discussion to see whether we can come to an agreement about a process of setting up an all-party Parliamentary committee when Parliament is not sitting. It is impractical to bring back Parliament for a day to set up a Parliamentary committee to deal with an issue that is not of extraordinary moment. Often the referral of a matter to an all-party Parliamentary committee is a preferable way of

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dealing with it than setting up a Royal Commission or a board of inquiry. However, amendment No. 1 circulated in my name is designed to omit that clause.

Mr Landeryou made the point that there was no guarantee of resources being made available for the Parliamentary committees. However, there is no guarantee in the existing Act that resources will be made available to Parliamentary committees. The Bill does not differ from the status quo. No precedent was established by the Cain or Kirner governments that we should follow other than it is left to the rather hearty discussions between the Treasurer, the Presiding Officers, the chairmen of Parliamentary committees and others.

The matter is unresolved. It will be better to resolve it outside legislation. I have not closed my mind to putting in place a formula that all parties, and most importantly, the Treasurer, will be happy with.

Thirdly, Mr Landeryou spoke about the number committee members and who they will be. The Act stipulates 12 members, but it does not suggest how the numbers are to be chosen. That is left to the forms of Parliament. I do not recall the terminology, but it is set out in a delightful statement that suggests that it is up to the political parties; but the words "political party" are not mentioned. The number of committee members proposed in the Bill is based on the fact that a committee of 12 members is unwieldy — according to some committee chairmen that number is too large. It was thought that a smaller, tighter membership would be desirable. The government accepted that view, but it does not have a fixed view on how big the committee should be.

The reason why the provision provides for the ability to vary membership is that it may be decided that a fixed purpose committee should have a membership of seven rather than nine members. That would be a matter for agreement to be worked out between the political parties. I do not believe flexibility is bad.

I raise a broader point that I touched on earlier: this Parliament has adopted a heavy codification of the rules for establishing Parliamentary committees. In other Parliaments this matter is determined by the rules of Parliament rather than by an Act of Parliament. Whether that is desirable is not relevant to the debate, but we must be precise about flexibility.

The government will respond in two ways: firstly, by moving an amendment, which I think the opposition is also proposing; and secondly, by having these matters productively discussed between the parties over the coming weeks.

Clause agreed to; clauses 3 and 4 agreed to.

Clause 5

Hon. W. A. LANDERYOU (Doutta Galla) — Mr Chairman, I join with the Minister for Conservation and Environment in congratulating you on your elevation to the high office of Chairman of Committees.

I am troubled by the reference in clause 5 to the definition of Parliamentary committee. It states:

"Parliamentary Committee" means any Joint House Committee, Special Purpose Committee, the House Committee, the Library Committee and any Private Bill Committee.

If the flexibility that will be discussed in a subsequent clause is the intention of the legislation, I cannot understand, from listening to the debate or from reading the second-reading speech, the difference between a joint investigatory committee or a specific purpose committee, such as a crime prevention committee. Such a committee can canvass a wide range of issues.

I am not opposed to the concept of committees that this place has resolved to adopt. I do not know why it is necessary to differentiate between the investigatory committees of both Houses and the so-called Select Committees.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — The explanation is twofold. Firstly, the government thought the general purpose committees, which are the joint investigatory bodies, would cover a wide range of issues and policies across a number of portfolios. Departments may be called in to assist those committees. Secondly, the government believes there should be tightly referenced committees looking at issues rather than portfolios. Road safety and crime prevention are clear areas.

Hon. W. A. Landeryou — It is a broad shield, isn't it?

Hon. M. A. BIRRELL — It can be, but I believe people understand that the title of a committee indicates the direction in which it is heading.

We call them specific purpose committees to indicate that they have a slightly narrower brief or tighter focus and because of our belief, which we will abandon, that some committees could be established in the off-season. Consistent with the concerns Mr Landeryou and others have expressed, we did not believe that any committee should be able to be established in the off-season but that it should operate as a committee on a specific issue. This belief reinforced our view that a different title should be given to these bodies. It could be argued that it is not necessary, but we believe that distinction is desirable and I hope the Houses will be allowed to establish more specific purpose committees on issues the Houses agree should be investigated by all-party committees.

Clause agreed to.

Clause 6

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

1. Clause 6, lines 29 to 31, omit "or by order of the Governor in Council published in the *Government Gazette*".

I understand that Mr Landeryou has given notice of two amendments that are identical in substance but different in style from the ones I am moving. The amendment gives effect to the government's belief that we should withdraw unless we can get some kind of general agreement across party lines about the capacity of the Governor in Council to establish new specific purpose committees.

Hon. W. A. LANDERYOU (Doutta Galla) — It is my understanding that the amendment has the same effect as those I intended to move. I do not take issue with it and I welcome the change. However, I make a suggestion that if this offer is genuine — and I have no reason to think otherwise — the government should consider a longstanding proposal by a previous Leader of the Opposition and a former President of this Chamber for a House managers committee, when the Leaders of both sides of the political spectrum would meet to discuss matters of interest. I was the Leader of the Government in this place at the time and that is how we resolved any conflict that was dividing the major parties on issues of constitutional change and electoral reform.

Perhaps this is an appropriate time to highlight that experience and suggest that perhaps we should have a system whereby we may contemplate the type of emergency consideration item canvassed by the Leader of the House. It may be a matter of significance to the interests of the Parliament and the public but not of sufficient importance to warrant the calling together of the Parliament, and agreement between the opposition and the government could be achieved. Such a committee was enacted informally, and maybe that mechanism to address problems could be utilised.

I assume I am still in order if I continue and examine proposed section 4B, inserted by clause 6. I am troubled by the notion that the Parliament is carrying into law a committee comprising not more than nine members. Who resolves the matter of that number? It is said that we will address that issue — —

The CHAIRMAN (Hon. D. M. Evans) — Order! Perhaps we could leave discussion on this issue until we have dealt with the amendment before the Chair. It is relevant to the clause but not to the amendment.

Amendment agreed to.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

2. Clause 6, page 4, lines 1 and 2, omit "or the Governor in Council".
3. Clause 6, page 4, line 2, omit "or Order".
4. Clause 6, page 4, line 4, omit "or Order".

Amendments agreed to.

Hon. W. A. LANDERYOU (Doutta Galla) — Proposed new section 4B(1) says:

A Joint Investigatory Committee shall consist of not more than 9 members ...

and qualifies the composition of the committee by prescribing that at least two will be members of the Legislative Council and at least two will be members of the Legislative Assembly.

I understand why the government proposes to reduce the size of committees from 12 members to 9 members. In fact it will be a help for those members on my side of the House as I am not sure that we would have been able to make up the numbers if the new committees had had the same numbers of members as former committees!

I emphasise that it would be better to have a firm arrangement, with Parliament specifying that a joint investigatory committee will consist of nine members. Mr Birrell advanced an argument relating to specific purpose committees but that does not apply to proposed new section 4B, which relates to the constitution of joint investigatory committees. Although the Bill provides for a reduction in the number of members of a joint investigatory committee from 12 to a maximum of 9, it would be better to include a specific figure in the Bill. I genuinely believed from early informal discussions I had with representatives of the government that committees would have no more than eight members and that if the government were to persist with the notion of the chairmanship of committees being a gift of the government, control of the committees would still be in the hands of the government because the chairperson would have a casting vote. I refer to the unfortunate experiences of Mr White as he related them to the House. If the government attempts to use committees for party political purposes or electioneering stunts, the end result will be that the committee system will fall into disrepute. The same will be the result if a bunch of shellbacks, like the members of the former Statute Law Revision Committee, whose work was described by Mr White, seek to have trips around the world pretending to look at comparisons with the Victorian Constitution.

The President has upheld that the words "snouts in the trough" are not unparliamentary. When I was chairman of a committee whose members considered that the reference given to them by a Minister was given in pursuit of a genuine all-party response, it was deemed necessary to travel to gain certain knowledge. We were so conscious of the "snouts in the trough" problem that we bent over backwards to reduce the travelling contingent to three members.

Hon. B. E. Davidson — And you took Smithy!

Hon. W. A. LANDERYOU — Smithy was one of the people who were prepared to pay their own way to be part of the investigating team. In fact, all members of the committee were prepared to pay their own way when the then Premier would not give us the nod. It seems to me that that sort of interference by the executive is inappropriate. It might be all right to refer a matter to a committee but problems in Cabinet or the party room cannot interfere with the work of a committee. If the government is genuinely seeking an all-party response, the process by which the committee seeks

to provide that response should not be interfered with.

It appears that there could be a balancing act between the committee that will be chaired by the honourable member for Doncaster, who wants a small group that he can manage, and the committee that James will chair. James has gone ahead and declared himself to want a large committee and to be the recruiting officer of the sacked people from the Law Reform Commission! That variation in the size of the committees could be achieved behind the scenes by decisions of the Liberal Party. It seems that I am entitled to arrive at that conclusion, in view of the discussions I have had informally and otherwise with people on the other side about the composition of the committees.

As the Leader of the Government said, we use terms about the forms of Parliament that are different from those we use for committees, but that is not what I have in mind. I appreciate that the issue of the resources for committees has been taken up. I maintain that it is difficult to reconcile the assertions in the opening paragraph of the second-reading speech with the provisions of the Bill. I have great difficulty in accepting the Bill because we are proceeding at such a pace with the passage of legislation that it will not be well thought out. As a result honourable members are not sure about the measure, including whether we should be going through the Bills point by point. At the same time we have the chairmen-elect, who have been anointed in their positions by the Premier, making recommendations that are somewhat different from what is contained in the Bill. It seems that the matter will go back to Cabinet and the end result will be that instead of the committees having 8 or 10 members, the Public Accounts Committee could end up with an uneven number. I acknowledge that that may solve the problem of whether the chairman has a casting vote, but proposed new section 4B(5) deals with that matter.

I suggest that flexibility is necessary. Can the Leader of the Government tell the House what the government has in mind? I acknowledge that the government has a right to govern, but can he tell the House what the government's position is as to each committee and how many people will constitute each committee? Has that matter been thought through, and, if so, what is the answer?

Hon. J. V. C. GUEST (Monash) — As a member concerned with the committee system, I share concern about some of the matters raised by

Mr Landeryou. Perhaps the problem underlying all of this, certainly from Mr Landeryou's point of view, is that the government has a large majority in each House. But given the necessarily brief and somewhat accelerated session after the previous government delayed going to an election for as long as possible, it has been impossible to determine some matters that are quite important for the future conduct of the work of the committees, especially if they are to begin their work as soon as possible.

For example, consideration has not been given to which members will constitute each committee. First, it must be discovered which members of the Liberal Party, the National Party and the Australian Labor Party want to serve on committees. When one knows who wants to serve on a committee, one needs to decide how to order the various preferences and qualifications for membership. For example, if there were a party election for membership, someone might feel compelled to offer his or her services as a member of a committee to be elected first although he or she would prefer to be a member of another committee.

Hon. W. A. Landeryou — You resolve that by adopting the Fuhrer principle?

Hon. J. V. C. GUEST — The Minister responsible for the proposed legislation faced a problem in introducing the Bill because no-one knew which members wanted to serve on committees. Obviously the executive will be ill-disposed to the idea of allowing the opposition to take control of committees. That must be the starting point of any discussion on the matter. Although the discussion on the committee system has been abbreviated I point out that, on the whole, committees with 12 members were too large. Some were able to work quite well. For example, the Economic and Budget Review Committee managed to do much work in two major divisions and a number of subcommittees. I daresay the Public Bodies Review Committee had a number of important matters to get its teeth into and it undertook that work successfully. However, the Public Accounts Committee in New South Wales has only five members and works very well. It has, in fact, a remarkable record even though it was established long after the old Victorian Public Accounts Committee. Goodwill, commonsense and determination are all that is needed to get things done if members care about the committee system and do not regard it only as a means of collecting attendance allowances.

Mr Landeryou picked up on the myth propagated by Mr White. Mr White denigrated members of Parliament and their natural tendencies. He referred to the old Statute Law Revision Committee and part of what he said about that committee was true. All members should know that it was a previous Labor member who owned a country residence some distance from his electorate and collected considerable benefits when attending committees. But that member's actions are no adequate reason for Mr White to denigrate committees and members. Indeed some of us who were members told him that we did not approve of the operation of under-resourced committees like the Statute Law Revision Committee.

The CHAIRMAN — Order! Mr Guest is straying from the general purpose of the clause.

Hon. J. V. C. GUEST — I am trying to put the record straight. It really is important to put the record straight, particularly as these matters have been used as arguments —

The CHAIRMAN — Order! I trust that Mr Guest was not intending to go into another speech on the second reading of the Bill.

Hon. J. V. C. GUEST — Indeed not. The Statute Law Revision Committee did a lot of solid work. It had only one staff support person to help with the preparation of the chairman's report. Mr Tunnecliffe was then the secretary and did a very good job. However, there were a number of deficiencies in its operations. A "reading meeting" would be held so submissions, drafts and other documents could be read, and such meetings were quite unjustified. But it would be a pity if honourable members thought that such unjustified practices were the whole story.

Before the end of the term of the last Liberal government the Statute Law Revision Committee was on its way to producing a massive report on the role of Upper Houses. Mr Evans and I were probably the two most responsible for ensuring the substantial report was in train, despite meeting considerable resistance from some other committee members.

Hon. W. A. Landeryou — Such that they called an early election.

Hon. J. V. C. GUEST — We were assured we would have time to deliver the full report and that there would be another session of Parliament. All we managed to produce in the truncated time available

was a slim document that still upset people who were not keen on the Upper House. As one committee member said of our attempts to make the senior Upper House work: "Cabinet wouldn't wear that". We were in fact trying to make sure that Cabinet could not ride roughshod over the Parliament. The operations of the Statute Law Revision Committee and other committees have exemplified the importance that members place on committees.

Amended clause agreed to; clauses 7 and 8 agreed to.

Reported to House with amendments.

Passed remaining stages.

PARLIAMENTARY SALARIES AND SUPERANNUATION (FURTHER AMENDMENT) BILL

Second reading

Debate resumed from earlier this day; motion of Mr BIRRELL (Minister for Conservation and Environment).

Hon. D. R. WHITE (Doutta Galla) — This is one of the most disgraceful pieces of legislation ever introduced into the Parliament of Victoria. There is no mandate for this legislation; nor was there any attempt by the coalition in opposition to take the community into its confidence. It represents a totally dishonest and reprehensible measure and is clearly a case of snouts in the trough.

The coalition gave no hint before the election that any of the proposals in this Bill were to be brought in. Parliamentary secretaries are deemed to be part of a new career structure based on the Canberra system; however, in Canberra Parliamentary secretaries are not paid. The people who are to form part of this so-called new career structure are the shellbacks, the muck merchants and the troglodytes of the Victorian Parliament. They are people in their second term who have no future on the frontbench and who are never likely to be there, people whom the Leader of the Government does not normally associate with.

When asked during question time about expenditure in his department, the Leader of the Government said that the government would never use the cheque book in such a devious manner. Well,

he has done so, and here is a clear-cut case of the deception of the taxpayer.

The justification used by the Minister for Tertiary Education and Training during the second-reading debate and in the debate on the issue of time was that he could find examples of rorts, perks and dodges that had existed in government at some stage in the past and that that condoned the introduction of this perk. Mr Gude, the Minister for Industry and Employment in another place, has backed down and said that he will not take that perk because he is responsible for implementing the industrial relations legislation that will see wholesale and across-the-board reductions in wages and salaries for large sections of the community. The honourable member for Swan Hill has gone part of the way and has reduced his share of an increase in his salary from 32 per cent to 15 per cent. That is not enough.

There is no evidence of the community's being taken into the government's confidence on this outrageous measure. A businessman said to me before the last election that as soon as the Liberals achieved office they would be looking up one another's dresses. That man comes from a humble background. What he meant by that was that they would not only be interested in the perks but also looking to see who had the best dress and saying to their drivers, some of whom they have known for a number of years, that they are not to call them Jim, Marie or Jeff but must call them Minister.

Ministers also said they wanted the form, the protocol, the prizes, the perks — they wanted to get their snouts into the trough!

We now have a new division of the class system in the form of Parliamentary secretaries, all of whom will be given a new spell at the trough to get the feel of it. What about their responsibilities? The second-reading speech does not state that there will be increases in salaries. The speech is hypocritical when it says there will be reductions and restraint but says nothing about the increases that will occur.

Let us look at some of the Parliamentarians who will share part of these perks and assess where they fit into community standards. First we have Mr Guest, who yesterday had the gall to say that the impost of \$100 on rates is a pittance. Many property owners and ratepayers with a rates bill of no more than \$400 or \$500 a year will be hit with a 20 or 25 per cent increase in their rates. Mr Guest can sit back in

Jolimont and say that they have to share the impost while he receives an extra \$60 a week.

It is not as if chairmen of Parliamentary committees do not get additional remuneration — they do! It is proposed that after 16 years in Parliament, unable to get the nod from the Premier for a place on the frontbench or as a Parliamentary secretary, Mr Guest should be promoted to the distinguished position of chairman of a Parliamentary committee, where he will rot. He will not move one inch further. The only direction in which Mr Guest will move is down. Everybody knows that is the case; we are constantly told that by honourable members from the other side of the House.

Hon. J. V. C. GUEST (Monash) — On a point of order, Mr President, I suggest this is tedious repetition. As you said earlier today, it is possible to look at the whole package and, therefore, to refer to matters that are not strictly part of the debate on the Bill.

While I am happy for Mr White, who seems to be stuck in a rut without a thesaurus, to go on about me, no doubt he will go on about other honourable members in the same way. He has said it all before in the same way and it really is tedious repetition.

The PRESIDENT — Order! I do not uphold the point of order. The rule against tedious repetition involves repetition in a particular debate, such as on a different Bill. If the honourable member were to repeat on another occasion what he is saying now I would certainly rule him out of order. This instance does not fall within that prohibition.

Hon. D. R. WHITE (Doutta Galla) — I would like the honourable member to declare his interest, with his snout in the trough, as part of the perks faction — the shellbacks and troglodytes who are interested in being in this place only to get another perk.

Hon. J. V. C. GUEST (Monash) — On a further point of order, Mr President, I find the reference to my being in this place only to get another perk offensive. I ask Mr White to withdraw it.

The PRESIDENT — Order! Mr Guest has taken offence at the statement made by Mr White. I believe the statement is capable of being considered offensive. I ask Mr White to withdraw.

Hon. D. R. WHITE (Doutta Galla) — If the honourable member takes offence at the statement, I

withdraw it. I issue a challenge to Mr Guest, and to each of the seven Parliamentary secretaries and nine chairmen of committees: given that the Minister for Employment and Industry has seen fit to back down and not to take an increase in salary on the basis that the burden should be shared and that he has a responsibility to the rest of the community in implementing industrial relations legislation, is it not unreasonable that the community should have the opportunity of putting the same question to you? Mr Guest lives in circumstances where it is clear by any criterion that he does not need an additional \$60 a week.

Hon. W. R. Baxter — Can I use that sort of logic in assessing what we pay everyone else in the community?

Hon. D. R. WHITE — Mr Gude was good enough to say that he had made a mistake, that it was wrong and that he should not accept the increase; it is clear that also applies to Mr Guest. There are no circumstances under which he needs the increase. I put it to the Minister for Roads and Ports that Mr Guest is entitled to an increase in salary above what is paid to a backbencher for taking up a position as a chairman of a committee, but this Bill gives an additional increase to chairmen of committees beyond the current allowance.

Hon. W. R. Baxter — Can I go through my work force, look at their assets, and determine how much they should be paid? That is your logic.

Hon. D. R. WHITE — I am making it clear that Mr Guest has a responsibility and that he does not need an additional increase in salary.

Hon. W. R. Baxter — You agree with what I say?

Hon. D. R. WHITE — I thank the Minister for Roads and Ports for taking an interest. Let me make clear what the opposition says. Firstly, at no stage in his trips around the State before 3 October did the Minister put to the Victorian community what the government was on about in this Bill. He did not say that the government was going to increase salaries of government backbenches at any time, so the whole of the government is dishonest.

Secondly, at no stage did he say that this measure was necessary. The government does not have a mandate. However, the government did say that the community had to share the burden and the only way that can make sense is if the people in

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government set an example. What example is being set?

Hon. W. R. Baxter — The right example, by taking a pay cut.

Hon. D. R. WHITE — You are not taking a pay cut. Seven Parliamentary secretaries and nine chairmen of committees are receiving a pay increase that was not foreshadowed. It is also known that in Canberra not one Parliamentary secretary —

Hon. W. R. Baxter — They are sinecures up there!

Hon. D. R. WHITE — Not one Parliamentary secretary gets an additional dollar. Everyone knows about the sinecures in the Federal Parliament. You attempted to enter Federal Parliament but you did not get there — that is how much of a sinecure it was! You then crawled back to this place.

Hon. W. R. Baxter — I won an election to get back.

Hon. D. R. WHITE — When the government puts a proposition to the electorate it has no hesitation in declaring that it has a mandate, but equally there is no evidence to suggest that there is any support from any section of the community for this measure. The government is asking the whole of Victoria to do one thing while government members are entitled to open the sherry cupboard, get out the cask, put their snouts into the trough, and go for it!

A senior businessman, who is a household name in the community, said that the first thing government members would do would be to get their snouts into the trough. That is what is on the table in this House today.

Hon. W. R. Baxter — I do not take notice of anonymous comments.

Hon. D. R. WHITE — Let us consider the other 13 members. Mr Gerald Ashman, who has hardly made a contribution —

Honourable members interjecting.

Hon. D. R. WHITE — In opposition one has plenty of opportunities for debate in this Chamber. We have hardly heard from Mr Ashman in four years, and it is unlikely that we will hear from him as a committee chairman. Mr Cooper has had many jobs in his life. One of those jobs was in shadow Cabinet. He was dropped from the shadow Cabinet,

never to be returned until he was given this sinecure. Mr Leigh, who could not get preselection for Malvern, is now making a comeback into the thirds and will not move forward any further. Mr Perrin has been dropped from the shadow Cabinet. He was formerly shadow Minister for Ethnic Affairs and will not be heard of again in a more senior position.

Victor Perton has had a mixed reputation in the party room — and that is an understatement. The reputation of Mr Perton in the community is not dissimilar.

Hon. D. M. EVANS (North Eastern) — On a point of order, Mr President, the Leader of the Opposition has just said something about Mr Perton's reputation in the community that I believe is unfair and unreasonable. He is not here to defend himself, and it would be proper to ask the Leader of the Opposition to withdraw his comments.

Hon. D. R. WHITE (Doutta Galla) — On the point of order, I said that Mr Victor Perton had a mixed reputation in the community; that is all. I do not regard that as an unreasonable comment. It is not even a negative comment. One can take it or leave it as one sees fit.

The PRESIDENT — Order! I do not uphold the honourable member's objection. Objectively, I do not believe the comment is offensive and I do not think the honourable member would himself have taken it so.

Hon. D. R. WHITE — Mr Smith was waiting for the call from Mr Kennett and, not surprisingly, did not get it. He has been complaining ever since. Mr Richardson has moved around the Parliamentary dining room, complaining that he will never be a Minister of the Crown so long as Jeff Kennett is Premier. Mr Weideman has previously been a Minister in another administration and has indicated on more than one occasion that he is clearly out of favour and is not destined to return to the frontbench. Mr Steggall has gone part of the way towards addressing an outrageous salary increase that he was to receive.

Mr Bildstien has the interesting responsibility of being Parliamentary Secretary to the Minister for Agriculture, who will be the honourable member who holds an adjacent seat, so obviously his job is to spy on that National Party member and keep him honest. Mr Bildstien is being paid the salary of a Parliamentary secretary to spy on the future

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National Party Minister for Agriculture. That is why he was given that job. There is no reason why the taxpayers of Victoria should be paying Mr Bildstien to spy on Mr Bill McGrath.

Mr Robert Clark has been given the job of Parliamentary Secretary to the Treasurer. Mr Clark is undoubtedly known as the minion. Mr Geoffrey Craig has been given the job of Parliamentary Secretary to the Minister for Public Transport. We look with great expectation to the contribution he will make. Mr Stephen Elder has been given a title by the Minister in another place; Mr Robert Maclellan has indicated that Mr Stephen Elder is the head of the snouts in the trough faction. That has been put to us by Mr Maclellan. We do not dispute that Mr Elder is the head of the snouts in the trough faction. I invite honourable members on the other side to check my source.

Mr Honeywood, who has spent much of his time wandering around seeking an office, will ostensibly be another assistant to Mr Kennett. Dr Napthine from Portland is Parliamentary Secretary to the Minister for Health Services. I am indicating that the seconds and thirds are not likely ever to find their places on the frontbench and it is more than likely —

Hon. J. V. C. Guest — What are the odds?

Hon. D. R. WHITE — In the case of Mr Guest, the odds are that he will be jumped over by one of the 11 new members with their field marshal batons in their bags. Clearly they think the ones who have been anointed for the feast have been put in the broom cupboard. They will never be heard of again because they have been paid off to shut up, keep out of the way and vote with the government. That is the only interest the Premier has had in handing out this money. He has handed out the money to shore up his vote in the party room and as a measure for the future. He is buying his votes and, of course, he has bought Mr Guest very cheaply.

We have the outrageous examples of double standards and hypocrisy. The government comes into the Chamber urging restraint from day one and also has the audacity to continue to talk about honesty and standards. We had the Leader of the Government saying in question time, in response to a question on the administration of funds in the area of conservation and environment, "We will never use the cheque book in a devious manner," when in fact he has been handling and has responsibility for a Bill in which he is doing precisely that.

It is clear that before the election the coalition had an opportunity to say in a straightforward fashion that there was a need for a career structure for Parliamentarians; it did not. Mr Perton did not; Mr Evans did not; no coalition member did that. It is devious and dishonest on the one hand to say that the measure is needed and on the other hand to not have the mandate for it.

The second point I make is that the government is claiming a mandate for the extension of the number of Cabinet positions and that the legislation should be passed on that basis, whereas with this measure there is no mandate. There is widespread community outrage. The Bill is totally unjustified. It sends entirely the wrong message — that we have a payoff to the shellbacks, merchants and troglodytes who have no part in the future of Victoria. We totally oppose the measure.

Hon. J. V. C. GUEST (Monash) — Let me first get out of the way the cheap, tabloid arguments of the opposition. Let us remember that members of the Australian Labor Party feed the snouts in the trough by putting their spouses on the payroll. Only the other day I heard from someone who was on the Historic Buildings Council that the spouse of the former Minister for Police and Emergency Services, Mal Sandon, was appointed to the council and changed her name so that the connection with the government Minister would not be recognised. She was on the payroll as a public servant anyway.

Let us consider the way the ALP goes about such things. The last time the ALP wanted to change the Parliamentary Salaries and Superannuation Act for the benefit of some of its former members was in about 1982-83. It put through legislation at midnight. There was no lengthy time for public consideration of the sort that is now said to be necessary. The Bill has limited scope and can be debated now, as Mr White has shown, without any trouble whatsoever.

I shall move to the more serious problems regarding the way the Labor Party deals with these matters. In October 1984 the then Economic and Budget Review Committee unanimously recommended substantial changes to the Parliamentary salaries and superannuation legislation. The changes were designed to get rid of one of the biggest rorts favouring government Ministers at a time when inflation was high. It was a case of simple mathematics; I know Mr White could understand it but many of his colleagues could not. The rort involved substantial amounts of money, and the

former government had eight years in which to correct the legislation.

In times of inflation members of Parliament who have held higher offices towards the latter part of their careers receive huge windfalls in the calculation of their superannuation. Some decent people, such as the Honourable Jock Granter, hang on in the interests of their party and of Parliament and consequently lose by the same mechanism. At the time the Economic and Budget Review Committee reported to Parliament it appeared that the then Premier, John Cain, would receive a windfall of \$50 000 and Mr White would receive \$30 000. As Mr White still holds a higher office, he will receive a considerable windfall when he leaves this place.

The then government had its opportunity of doing something about the sort. An all-party committee presented a unanimous report, but the former government did nothing. It is sheer hypocrisy for the Labor Party to complain about this small readjustment to salaries.

Honourable members should not forget that you, Mr President, the Speaker in the other place and the Chairmen of Committees in both Houses have uncomplainingly suffered a reduction of salary equivalent to the increases provided for in the Bill.

I expressed concern about that, and I hope Mr Landeryou mentions that point because Mr White certainly did not. Despite its congruence with the salary structures of other States, the reduction in salaries of those Parliamentary officers could be seen as a downgrading of Parliament.

I disagree with the Premier that the changes reflect workload. It cannot be said as a universal proposition that the workloads of the President and the Speaker are lighter than the workloads of Ministers. Who would suggest that the work carried out and the intelligence applied by the Honourable Alan Hunt and the honourable member for Werribee in the other place, Dr Ken Coghill, were less than the work and application of Bunna Walsh, Nipper Trezise, Theo Theophanous and so on? I could run through a long list.

Hon. Louise Asher — What about Peter Spyker?

Hon. J. V. C. GUEST — Indeed. Theoretically, he had one of the biggest jobs in the government. I don't quite understand why, but he was given the job of running the entire transport system. The

government can make a lot of savings simply by getting rid of the staff who wrote Mr Spyker's letters.

Although the workload argument is thin, there is some rationale for holders of high Parliamentary offices not receiving salaries as high as those of people like Ministers below them on the formal table of precedence. One hopes both sides of Parliament will follow the tradition that is honoured by the coalition in giving the President and the Speaker security of tenure. If they do not try as Presiding Officers to unfairly advance the interests of their side of politics, the Presiding Officers will retain the confidence of both sides of the House and deserve security of tenure beyond that of Ministers. Mr White has overlooked that point, and because he is the only member of the frontbench who is capable of thought, that point has been overlooked generally.

The chairmen of Parliamentary committees will also have security of tenure, which does not apply to members of the executive branch of government. On that ground alone it is not entirely inappropriate that Presiding Officers do not receive the same remuneration as Ministers and that the chairmen of committees do not receive the same remuneration as Parliamentary secretaries. None of that is to deny, however, that the Parliamentary committee system is extremely important.

Mr White said that the opposition deserves more time to consider the Bill. The only thing the former Ministers who countenanced the ruin of the finances of this State deserve is impeachment. If that could still be done the financial consequences to those who have ruined this State would be commensurate with what they have done to the people of this State.

The very people who ruined this State now have the gall to complain about peripheral issues and fringe matters. They are taking no responsibility for the past, nor a responsible view of the management and Parliamentary structures that this government is establishing.

Hon. D. M. Evans — Mr White has gone.

Hon. J. V. C. GUEST — Mr White has gone; he is no doubt briefing members of the press so that they can publicise his tabloid speech without fear of misquoting him and therefore being liable to breach of privilege or defamation. Mr White was always shrewd at that sort of thing; he is not very constructive but he certainly knows how to spread the smear through the press.

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It has been put to me that I should follow the example of the Minister for Industry and Employment, Mr Gude, and the honourable member for Swan Hill, Mr Steggall.

Hon. W. A. Landeryou — That would get you a headline, James!

Hon. J. V. C. GUEST — Mr Landeryou has put his finger on it. If I did that I could grab a headline; I could become a hero.

Hon. W. A. Landeryou — A hero is a bit over the top.

Hon. J. V. C. GUEST — I shall settle for the headline. Mr White's suggestion is entirely mischievous, but I concede that Mr White is shrewd. Trading on a reputation I appear to have in some quarters for having spare assets, Mr White suggested that I do not need the money and that I should make the gesture. He is well aware of the consequences. Members of the opposition do not want people to big-note themselves in that way and they would not regard a gesture by someone reputed to have money as being worth anything more —

Hon. W. A. Landeryou — Give everything else away and get your increase; that will get you your headline.

Hon. J. V. C. GUEST — I can hear Mr Landeryou's bass accompaniment without being able to hear what he is actually saying. Perhaps I should ask him whether he would show me the lake at his palace on the western plains!

Many years ago a member of Federal Parliament, who was reputed to be well off, made the gesture of not taking an increase in salary for a year or so.

Hon. W. A. Landeryou — Was he the Treasurer at the time — until the tax man caught up with him? Was it Lindsay Thompson?

Hon. J. V. C. GUEST — I am talking about a member of Federal Parliament, who embarrassed his supporters and colleagues and who was given no credit for doing what he did. He was pilloried as someone who had so much spare cash lying around that he could afford to make such a gesture, which in any case had a minimal effect on the economy.

Hon. W. A. Landeryou interjected.

Hon. J. V. C. GUEST — I am mindful of the mischievousness of Mr White's suggestion. No chairman of a Parliamentary committee would be foolish enough to grab himself a headline by making an empty gesture. These peripheral matters have nothing to do with the real issues.

Hon. W. A. Landeryou interjected.

Hon. J. V. C. GUEST — I do not want to go into that matter in any more detail than that which can be found in my entry in the register of financial interests, which is as opaque as I have been able to make it while strictly complying with the law. After all, who would want to be put on a negative ratings watch by S & P Australian Ratings?

I am perfectly content to be regarded as being well off; but I am equally as content to show solidarity with my colleagues, all of whom, as chairmen of committees, will be working hard and conscientiously to the benefit of the State in criticising the government when necessary and in constructively researching and reporting on the issues under consideration.

The notion of a mandate, which is used with little emphasis on this side of the House but which is the currency of incoming Labor governments, is irrelevant. Everyone knows that as a matter of logic the mandate given to an incoming government is to do what is essential for the governing of the State, to levy taxes, to spend money on salaries and services and to keep Parliament and the Police Force going — in other words, to carry out the essentials. Provided a government carries out its essential duties economically and efficiently, it fulfils its mandate.

It is hypocritical of the opposition to criticise the coalition for not distracting the people during the election campaign with the sort of tabloid nonsense that the Leader of the Opposition goes on with, when the main issues were the financial mismanagement of the State and the then Labor government's refusal to disclose what really mattered — for example, the \$1.2 billion in borrowings in excess of global limits.

It is also hypocritical of Mr White to support the kind of lazy press we sometimes have to suffer in Victoria. There is nothing to his argument, and I totally reject it.

Hon. R. S. IVES (Eumemmerring) — I shall change the nature and tenor of the debate.

Hon. W. R. Baxter — I wish you would!

Hon. R. S. IVES — Try as we might, members of the opposition feel some affection and admiration for Mr Guest. If ever a man is prepared to stand up and put a flimsy case with panache and style, that man is the Honourable James Guest!

I shall ignore with some good humour the attempts made by Mr Guest to be scathing, if for no reason other than that he cannot manage it! I shall ignore his criticism of spouses on the government payroll in an age when women are increasingly pursuing separate careers and keeping their own names after marriage. I look forward to his government's accepting the recommendations of the Economic and Budget Review Committee.

I cannot ignore Mr Guest's cavalier rejection of the salary readjustments contained in the Bill. He made a flimsy attempt to argue that the reduction in salaries of the Presiding Officer and the Chairman of Committees does not constitute a downgrading of the status of Parliament.

By double counting, Mr Guest attempted to spread the furphy that the former Minister for Transport, Peter Spyker, had an excessive number of personal staff. Time and again Mr Guest attempted to blame the opposition for the actions of the government. I remind him that he is a member of the government with responsibility for the government's priorities. Don't blame us for your government's decisions, Mr Guest!

In his charming way, Mr Guest admitted that he was probably better off than most people; but I cannot overlook his gratuitous comment that all of the chairpersons of committees will work hard. I should certainly hope so!

Mr Guest's contribution was trivial compared with what the Bill attempts to do. The Bill is flimsy, as is the second-reading speech. More to the point, as Mr White said, the legislation is not only disgraceful, but an insult to Parliament.

The Bill lacks sufficient detail and explanation, which is a pity. Given that it is 20 years since Parliamentary salaries were reviewed, it is certainly time for another; but this is not the way to go about it. The Bill is poorly drafted and poorly thought out. I shall not hammer the point made in the other place that the increase in salary awarded to the senior Parliamentary secretary is to be made retrospective to 6 October, while the rest of the increases outlined

are to be made retrospective to 27 October. That will mean, of course, that when the Bill is passed the Presiding Officers and the Chairman of Committees will have to refund some of the money they have already been paid — although I understand that action will be taken to correct what is obviously sloppy drafting.

An examination of the schedule on page 2 of the Bill shows that the Deputy Leader of the Majority Party is to receive an increase in salary. The second-reading speech says that this proposed increase will be revised, which I find exceedingly curious.

Last week on *A Current Affair*, the Minister for Industry and Employment, the Leader of the House in the other place, Mr Gude, explained that after certain salary relativities had been worked out he was entitled to an increase — or an emolument, as he described it. I am not sure what the word "emolument" means, but I suppose it is the same as an entitlement. I must admit it sounds like something one rubs on oneself to relieve muscular pain!

The Minister seemed to be arguing that because the emolument just popped up he was entitled to it. Although he seemed only slightly embarrassed he was willing to accept his hard-earned emolument. Yet only a few days later the *Sunday Age* reported that he would not accept his emolument after all. He claimed he did not know he was entitled to it and that it came as a surprise. Given that he is the Deputy Leader of the Liberal Party and a senior member of the Cabinet, his explanation stretches credibility.

It stretches one's credibility to believe the Deputy Leader of the Liberal Party, a Cabinet Minister, did not know he would receive an emolument. What sort of a career structure is it? It cannot be claimed to be a reasoned, sound, properly thought-out structure if what is presented in the Bill as an emolument suddenly turns into a perk that the Minister says he does not want when things get a bit hot. I presume the proposed legislation has been changed? What a ridiculous way to conduct the government of the State? The government tries something new, but when it receives criticism about it and a senior Minister will not accept the emolument because it is really a perk, the government just drops it. It is an extraordinary way to run a government.

The Bill provides for a slight reduction in pay for the President of the Legislative Council, the Speaker of the Legislative Assembly, the Chairman of Committees in the Council and the Chairman of Committees in the Assembly. It appears from the Bill that the only people who will receive reductions in pay are officers of the Parliament not of the executive government. This action has been taken at the same time as hundreds of thousands and perhaps millions of dollars has been transferred from Parliament to the executive. The Bill provides no information and the government has not explained why officers of Parliament should have reductions in salary. They may well deserve it but the second-reading speech does not explain why.

I turn now to the senior Parliamentary secretary. What jobs will be undertaken by that person? Why should he receive a 32 per cent increase in salary? I have been advised that the honourable member for Swan Hill, Mr Steggall, did not know about the increased salary and that, now that he knows about it, he says he is not entitled to it. On what basis of this sound, considered, properly thought-out structure has he made that decision after the Bill has been passed in the other place? Why has Mr Steggall now said that he does not want it.

Everything that Mr White has said about perks, about arrogance and about the snouts in the trough is true. The government cannot justify the Bill. Time after time the government has said that the Bill is modelled on the Commonwealth Parliamentary structure. I point out that Commonwealth Parliamentary secretaries do not receive additional moneys.

Hon. Louise Asher — They're not worth it!

Hon. R. S. IVES — Mr Baxter said it is a sinecure. Mrs Varty interjects to say that they are not worth it. How would they know? They would have no idea what work those Parliamentary secretaries do.

Hon. ROSEMARY VARTY (Silvan) — On a point of order, Mr President, Mr Ives attributed to me an interjection that was not mine.

The PRESIDENT — Order! It is not really a point of order, but if that is the case Mr Ives should correct the record.

Hon. R. S. IVES (Eumemmerring) — Someone from the other side of the House, a female voice roughly from that section of the government's backbench, interjected that they were not worth it. I

can only say that the unknown female interjector sitting somewhere over there would not know. The Commonwealth Parliament provides an opportunity for government members with some ability to accept the onerous learning positions of Parliamentary secretaries without any pay or, to use the words of the Minister for Industry and Employment, any emoluments. It is not a position of profit. It is a position of learning and is used for the encouragement of the best and youngest talent to accept such a role.

I understand the only other position that has had a salary decrease is the Whip of the National Party in this House. Why should that person be singled out to have his emolument reduced? There is no way the Bill can be justified because its provisions have not been thought out or based upon any rationale. One explanation given to date is that it provides a career path. I do not agree with that proposition. Mr White scathingly replied to that proposition in a study in well-deserved vitriol. He laid to rest the claim that it provides a career path.

It is important for the community to know that this Bill really represents political patronage to reward the supporters of the Premier. With one or two exceptions the career path gives virtually every ongoing member of the coalition a salary rise. It is an attempt to keep the backbench busy or to buy it off. That is a reasonable assumption; it is difficult from the information provided by the Bill to believe anything else.

However today I heard of a new approach. The Minister for Tertiary Education and Training and Mr Guest bravely battled on. They said it was not really a career structure but a management structure. Mr Guest, with disarming honesty, said the structure was not perfect; he said it was executive-driven, but the whole aim was to have a lean system so that Ministers would have lean staffs. Although there will be 22 not 18 Ministers, they will be assisted by enthusiastic, vigorous and alert Parliamentary secretaries and chairmen of committees who will be helping them to work out bipartisan positions that Parliament will be told to establish within this management structure.

The lie to the approach is given by the actions of the Minister for Industry and Employment and Mr Steggall. How can the government have a management structure that is supposed to achieve something when emoluments that are supposed to be fair and reasonable are suddenly dropped by the Minister and Mr Steggall when there is a bit of heat.

If those honourable members do not want them or do not deserve them, why should other honourable members have them? Why should the Parliamentary secretaries whose colleagues perform an equivalent job in Canberra for nothing receive an increase? Why should the chairmen of committees who for the past ten years have undertaken functions adequately on lesser salaries receive increases? If it is good enough for the Minister for Industry and Employment and Mr Steggall it is good enough for the other Parliamentary secretaries and for the chairmen of committees. It is this approach of the government that gives the lie to any properly thought-out, reasoned structure involving the proposals the House is asked to accept today.

The other point I raise is that there is a precedent for reviewing the salaries and allowances of honourable members. It is important to examine Parliamentary salaries and their relativities. The last review of the Victorian Parliament was undertaken in 1973. Its report was not presented to Parliament in a flimsy second-reading speech or a flimsy Bill but was presented after some detailed investigation.

In 1973 Mr G. Paton, Mr H. Bland and Mr B. Cochrane issued a report of the Committee of Inquiry into the Salaries and Allowances of Members of the Parliament of Victoria. That report was commissioned by a former Premier, Sir Rupert Hamer, who took a different approach to that taken by the current government. I shall refer the House to the qualifications of the members of the committee of inquiry. Mr Paton was the Vice-Chancellor of the University of Melbourne and a professor of jurisprudence; Mr Bland was a former Secretary of Defence and Secretary of the Commonwealth Department of Labour and National Service; and Mr Cochrane was a professor of economics and politics at Monash University. Those men had a wealth of experience in the law, government and economics. They had keen, trained minds and were well qualified to examine those issues. It was a completely impartial committee and no-one could argue with the results. Its report was fair. The opposition, the press and the community would have had no difficulty with that inquiry. The government's investigations have not been fair and that is why they have not been accepted.

One should make no slur on the committee of inquiry that worked well with a minimum of effort and a minimum of time. Rather one should look at the results and how the committee went about its job. The report of the committee states:

The committee examined the reports of previous committees of inquiry held in Victoria, detailed comparative statements of salaries and allowances of State and Federal Parliamentarians and reports of Mr Justice Kerr and committees of inquiry and tribunals of other States. In addition the committee has studied statistical information on wage movements in the community generally, both in the public and private sectors. Detailed statistical information on movements in prices and transport, telephone, postage and accommodation costs was also considered.

This committee had a wider brief than just Parliamentary salaries and relativities and it is worth while looking at the statistical information and background the committee examined. It also made requests for evidence, arranged for placement of advertisements and invited the public to participate; a written request was sent to the holders of various offices in Parliament seeking submissions with particular references to those offices. In addition a questionnaire was sent to every member of Parliament and the majority of members returned completed questionnaires. The committee met on 10 occasions. The report states:

Submissions were received from representatives of the Parliamentary Liberal Party and the Parliamentary Labor Party, from the Leader of the Parliamentary Country Party, the President of the Legislative Council, the Speaker of the Legislative Assembly, the Chairman of Committees of both Houses, the Minister for Labour and Industry, the Parliamentary Secretary of the Cabinet and from private members.

This sort of information allows one to publish something that is soundly based and which has the respect of the opposition, the press and the community. There is a world of difference between the flimsy Bill and the flimsy second-reading speech and the attempt that was made by Mr Hamer who at least was a man of some integrity and with some philosophical base in the approach he brought to such judgments. The report also states:

In framing its recommendations regarding the structure of salaries the committee has departed from existing relativities. The evidence before the committee indicated that fine differences in salaries were difficult to sustain and as a result the salaries related to a series of offices have been bracketed together.

In particular the committee was satisfied that the status and responsibilities of the two Presiding Officers and the changed positions of Chairman of Committees of each House required special attention. The committee's

recommendations regarding salaries of opposition party leaders in the Legislative Council reflects its assessment of the changed character of the role of that House.

It concluded by saying:

The committee favours a review of the type just completed every two years. If the period between reviews were longer it would cause injustice to members, and if it were shorter there would be an insufficient time lapse to make an adequate appreciation of the relevant factors.

It would seem desirable that Parliament itself should make the necessary statutory provision for reviews at regular intervals so avoiding any risks of misgivings any government may have about the timing of any review.

We all know it is always the wrong time to adjust Parliamentary salaries but through a proper review it is possible to win the acceptance of both sides of the House, the press and the community. The government has not done that. As has been mentioned numerous times, these three Bills currently before the House create four extra Ministers and four additional committees, making a total of nine committees, all chaired by government members. It also provides for increases in salary, the creation of a senior Parliamentary secretary and six Parliamentary secretaries. That constitutes a massive transfer of the resources of Parliament to the executive and it is not good enough for the government to say that it has made savings and has offset this additional expense running into a total of millions of dollars by reducing the electorate office staff and therefore the sort of service Parliament gives to our constituents.

It is improper and facile to argue that unilateral increases of salaries to the government are offset by the sacking of electorate office staff or the withdrawing of the electorate support allowance from members of this House, and, above all, it lacks moral credibility. This is the issue I make about the facile point of the Minister for Roads and Ports about not paying according to the degree of relative affluence of the recipient. The Minister's analogy is facile because the government determines the level of salary for its members and the level of hardship for everyone else. Therefore it well behoves government members to adopt some principle of justice, equity and sensitivity and if they are expecting others, such as my constituents in Doveton and people in the Public Service, to bear the

hardship why can they not set the example? That is a fundamental and simple moral principle.

I congratulate the Minister for Industry and Employment and Mr Steggall for forgoing their emoluments. Not only does it show some slightly stunted moral conscience it also gives the lie to how sound this structure is. It is only just cobbled together for the purpose. I hope and expect other government members to follow their example.

Hon. B. N. ATKINSON (Koonung) — The honourable member for Eumemmerring Province — who does not seem to be able to pronounce it and therefore reverts to saying Doveton — should ask for his money back because his course on motivational task assertiveness is not working. He was close to a chairmanship of one of the committees but he talked himself out of it.

I am concerned that in some of the discussion on the Bill the abilities of members who will take up the chairmanship of those various committees have been reflected on. Although it makes for some cute debate in this House —

Hon. Louise Asher interjected.

Hon. Licia Kokocinski — With your wonderful reputation, why aren't you chairing a committee?

Hon. Louise Asher — I am new.

Hon. B. N. ATKINSON — It makes for cute debate although it reflects on the ability of some members and ignores the skills and experience that those members will contribute to their positions. Those members are firmly established in Parliament and in their electorates and are now in positions to contribute to reviewing and developing the policy in this House and indeed the committees with which they have been charged with chairmanship.

The Bill recognises those members who are elected and who will be accountable for the decisions and the work they contribute to Parliament and to those committees. With regard to the difference in our approach to these committees from that of the opposition when it was in government, we have people who are accountable, are members of this House and the other place and are in positions to contribute strongly to policy, research and consultation with people in their electorates.

Honourable members interjecting.

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The PRESIDENT — Order! It is difficult for Mr Atkinson to continue with his contribution when he is receiving a barrage from not one or two but seven members on the opposition benches.

Hon. B. N. ATKINSON — When one comes in to bat for the first time one expects a few high deliveries. With regard to the approach between our government and the opposition when it was previously in power we are looking to use members of Parliament to contribute to the development of policy and in this House and to the various committees involved. When the opposition was in government it had armies of backroom people recruited from various unions. Enormous coteries of people who were Ministerial advisers and members of propaganda units were trying to push the views and attitudes of the then government.

It ignored the important initiatives that needed to be taken. We are in a time of significant change. Parliament and, indeed, the government needs to respond to that change. The committees are very much a mechanism for that change, to respond to many matters now before the community.

The schedule presented in the Bill recognises the increased workloads associated with the responsibilities of the various people taking up positions in this Parliament. Indeed, the chairmen and other leaders will play key roles in facilitating the work of the committees, and will assist the implementation of any proposed legislation. They will play a key role in assisting new honourable members make their contributions to Parliament and to all committees.

There has been some concern about the ability of some of the proposed chairmen. No-one in this government has any concern about the abilities of those who will take up such positions.

Hon. B. E. Davidson — Not by your standards.

Hon. B. N. ATKINSON — Indeed, Mr Davidson has not troubled the stewards today with any contribution of any moment. It would not take much to best your efforts to this point, Mr Davidson.

When one looks at the abilities and experience of those who will assume the role of chairmen, one realises they have diverse experience and a wide range of backgrounds. They are in ideal positions to contribute to the work of Parliament. Of course, if they do not work they will be replaced. That is the

crux of the issue from the point of view of the government.

As I said in my maiden speech, one of the legacies of the 1980s is accountability in government. This government is very mindful of that fact. Committee work is not there simply for perks; the committees do a particular job for Parliament. As a new member, I have a particular optimism about the role of committees. I am not interested in the past performances of committees but I am vitally interested in the role they will play in the future and in their output in the future. I wish to contribute in my way to the work of some of the committees. I have the utmost confidence in the work of those who will lead the committees.

Hon. D. A. NARDELLA (Melbourne North) — I am pleased that Mr Smith has returned to the Chamber.

Hon. K. M. Smith — I knew you would be tipping the bucket, and I didn't want to miss out.

Hon. D. A. NARDELLA — Honourable members on the other side have been waiting for this Bill to be passed ever since the 3 October election because it means a pay rise for them. They will receive a pay rise for assuming positions which have been artificially created. No-one else in the community will have such an opportunity.

The increases will add to the costs of running Parliament, and will be in contrast to all the stringencies and austerities forced upon ordinary people in the community. Why have the increases in pay been granted? Some people will be simply buying votes as a reward for loyalty in leadership battles. They will be keeping their calm — it is jobs for the boys!

No committee has as a woman as its chair — so much for equal opportunity! So much for those from the coalition parties! As Ms Asher has said, many of the women in this place and in the other place are new. I suppose they only need to bide their time; so long as they vote the right way they will eventually get their snouts in the trough.

Hon. Rosemary Varty — It is interesting that the three original women from this side are all in the Cabinet.

Hon. W. A. Landeryou (to Hon. Rosemary Varty) — You didn't quite make it.

Hon. D. A. NARDELLA — In the future there will be a possible career structure; the Leader of the Opposition in this place talked about some of the people who will probably go nowhere but many others are waiting in the wings. They are waiting for trips, for votes to be cast in their own Parliamentary caucus, and some older honourable members here and elsewhere had better watch out because the new ones will be after their jobs!

Then we have the National Party — the agrarian socialists! They make up the coalition's stable and long-term arrangement consummated by a shotgun wedding about 18 months ago. Part of the arrangement is to try to keep everyone together in this place.

The other concern about snouts in the trough is that the increases in pay for people like Mr Smith are to compensate them for the extra taxes and charges that the government intends to foist upon the community.

I remind honourable members of the extra 10 per cent in water and electricity charges, the 10 per cent increases in transport fares, and the extra \$70 a year in car registration.

Hon. K. M. Smith — Five per cent.

Hon. D. A. NARDELLA — It is an average of \$200 extra per year per family, as described in the *Age* of 29 October.

Hon. K. M. Smith — Do you believe everything you read in the *Age*?

Hon. D. A. NARDELLA — What will we get for the \$200 increase in taxes and charges? Simply compensation for some of the poor honourable members opposite. Their salaries will increase by \$6500 or \$9883 — all to compensate for the extra \$200!

Hon. K. M. Smith — You are wrong.

Hon. D. A. NARDELLA — My constituents will face hardships. Some of those whom I represent, and whom I care about, will face great difficulties. They will be trying to deal with the increased taxes and charges and with the new \$100-a-year Kennett home tax. But they will be losing more than that — on average \$352 a year for those under State awards — because of the abolition of the annual leave loading.

Will they receive any \$6500 or approximately \$9800 compensation? Of course not!

Hon. K. M. Smith — Boring!

Hon. D. A. NARDELLA — Not as boring as you, Mr Smith.

The other changes proposed, on which debate was gagged in the other place, put the community in contempt.

Hon. Rosemary Varty — It's back to front.

Hon. D. A. NARDELLA — How is it being paid for? The increases are being paid for through the sacking of electorate staff. Directions have been given to a number of officers that they will get the bullet or the pink slip sometime next week. They will be paid out.

I do not know whether any honourable members opposite have been put in that position; I certainly have. I had to face it and it was not easy.

Hon. K. M. Smith — The voters will do it at the next election.

Hon. D. A. NARDELLA — The government is granting pay rises to a select number of members of Parliament at the expense of electorate officers. By June next year 7000 public servants will be sacked. That will have a flow-on effect and result in thousands of other workers losing their jobs. The government has also threatened to sack additional public sector employees. Many people are in a state of fear and uncertainty. I challenge honourable members opposite to visit my electorate and explain to my constituents why some members of Parliament will receive an increase in their pay.

Hon. K. M. Smith — Coolaroo!

Hon. D. A. NARDELLA — Yes, Coolaroo is part of my electorate. I am sure honourable members would not get a good reception. The salaries of the chairmen of the joint investigative committees have been increased approximately by 10 per cent and now the expense allowance that they receive is part of their salary, which means an entitlement to superannuation. The chairmen of the specific purpose committees have received a pay rise as well as the additional entitlement to superannuation. The President, the Speaker, the Chairman of Committees in this House and the Chairman of Committees in the other place have had their allowances reduced.

Mr Guest's sums are not right. The decreases in entitlements to those members add up to \$26 353.84.

Hon. J. V. C. Guest — What about the Chairmen of Committees?

Hon. D. A. NARDELLA — Other entitlements, without including superannuation and the extra cost of servicing the community, will increase by \$96 851.

Hon. J. V. C. GUEST (Monash) — On a point of order, Mr President, I do not want the honourable member to be misinformed. At least four office-holders of Parliament will receive less salary.

The PRESIDENT — Order! Mr Guest well knows that is a bogus way of raising a point of order. He is not entitled to make a statement by leave while another member is speaking.

Hon. D. A. NARDELLA (Melbourne North) — Mr Atkinson said the increase in salaries and allowances is an appreciation of the extra responsibilities of their positions. Surely Mr President, Mr Speaker and the Chairmen of Committees in both Houses have onerous responsibilities, yet their salaries are being reduced. I urge honourable members not to support the Bill.

Hon. W. R. BAXTER (Minister for Roads and Ports) — One of the most depressing features of debates of this nature is that members of the opposition always want to judge everyone else by their own abysmally low standards. They want to apply the parameters that they use. They are unable to contemplate, let alone concede, that some people in the community might want to put the public interest first and have a structure that properly reflects the responsibilities involved.

The three speeches by members of the opposition have been combinations of tirades of abuse and the hackneyed phrase "snouts in the trough" — whatever that means. The Leader of the Opposition has made the same speech three times today on three different Bills and it has been vintage Mr White — a tirade of abuse and offensive comments, as well as reflections on the abilities of members of this House and those in another place. It is standard fare from Mr White when he lacks an argument.

The opposition has put no substantive argument against the measures; simply abuse, innuendo and the attribution of the lowest common denominator for everyone concerned.

Hon. D. R. White interjected.

The PRESIDENT — Order! Mr White has contributed to the debate and was heard in relative silence. I ask the House to respect the right of the Minister to be heard in relative silence.

Hon. W. R. BAXTER — Three times today in three different debates Mr White has lowered himself to naming members of Parliament and reflecting on their abilities. He alleges their abilities do not justify their appointments to various positions. On that logic, presumably, if other people were nominated he would support the appointments and the paying of the emolument to them. Mr White's logic is flawed, as is that of the opposition, because it is based on the assumption that they do not believe the persons nominated have the required ability.

I do not know who will be nominated as chairmen of joint investigatory committees apart from the announcements in the press. I note the sterling endeavour by members of the opposition to denigrate Parliament and convey to the electors and people of Victoria that every member of the government will be in receipt of substantial pay rises as a result of the passage of the Bill. Of course, that is not true. It is not true because the salaries of 111 members of Parliament will not change and five members will actually have their pays cut.

Hon. D. R. White interjected.

The PRESIDENT — Order! Mr White will withdraw that comment.

Hon. B. E. Davidson — I did not hear what he said.

The PRESIDENT — Order! Mr White referred to the National Party as the "lying party". I ask him to withdraw.

Hon. D. R. White — I withdraw.

Hon. W. R. BAXTER — I did not hear the remark from Mr White but now that I am aware of it I am glad that he withdrew it.

There are 111 government members who will receive exactly the same entitlements after the passage of the legislation they are receiving now. Emoluments have been reduced for five government members, but that has not been acknowledged, certainly not in the public arena. Tardy recognition

was given to that fact by Mr Ives and Mr Nardella. They suggested that those reductions reduced the status of Parliament in some respects and implied that the Presiding Officers would be paid the same or even less than the amount to be paid to the Parliamentary secretaries and committee chairmen. That is not correct. The Presiding Officers will still receive a 65 per cent addition to the base salary and a much smaller percentage will be paid to other persons holding office in Parliament. Honourable members should also note that no reductions have been contemplated in the emoluments received by opposition office holders.

Hon. D. R. White — You removed all the electorate secretaries.

Hon. W. R. BAXTER — The interjection by the Leader of the Opposition about electorate secretaries has nothing to do with the matter.

The PRESIDENT — Order! Mr White will cease interjecting.

Hon. W. R. BAXTER — Electorate secretaries have nothing to do with the Bill. They are not included in the Bill. Before Mr White makes another similar interjection, I suggest that he contemplates for a moment exactly what was done with electorate office staff prior to the election. Some of his own colleagues engaged ALP candidates on the public payroll so they could campaign on full pay at the public expense. It was a device put in place by his colleagues.

The opposition has a gall to allege rorts and snouts being in the trough when they used that device to assist ALP candidates prior to the election.

The Bill provides for a rejigging of relativities to take account of the expanded duties of various members of the Parliament. Mr Ives at least was gracious enough to say that the Act has not been amended in a substantive way for more than 20 years. It is high time that the duties of office-holders were examined and rejigged in accordance with current day practices. Mr Ives resorted to quoting from an inquiry into Parliamentary salaries undertaken in 1973 — 19 years ago. The basis for the setting of Parliamentary salaries has changed remarkably and dramatically since 1973. I know that because I was here in 1973. I remember what occurred when that inquiry was undertaken. That inquiry is not relevant to today because the bases on which Parliamentary salaries were set have been changed since then.

The government wants an effective committee system that is driven by the respective committee chairmen. If that is to be the case the chairmen need to be paid for the additional duties that they undertake. It is intriguing and contradictory that members of the Labor Party, which usually espouses the view that everyone should be paid for every little bit that he or she does, should argue against this measure. The ALP constantly denigrates the concept of volunteerism which occurred in the Country Fire Authority and the emergency services. Suddenly it is suggesting that people should not be paid for the extra duties they perform. That is a dramatic contrast to its usual stance and those remarks illustrate the opposition's hypocrisy.

Under the former Labor government the committee system did not function as effectively as it might. Our government believes committees should be a driving force in Parliament. We want chairmen who will give their best; they should therefore be paid an emolument that recognises that effort.

In Canberra the position of Parliamentary secretary is a sinecure. That situation will not apply in Victoria. The work load of Ministers will be much heavier than it was for Ministers in the former government for two reasons: firstly, we will not have the retinue of Ministerial staff that the previous government had. An example of that was given in another place yesterday. I happen to know a bit about that case, because it is the same area for which I have certain responsibilities. It was extraordinary, when I went to Transport House, to find empty desks everywhere. It was explained that they had previously been occupied by the former Minister's Ministerial staff of more than 20. The staff there said I was the first Minister they had spoken to for a long while; they did not have the opportunity of speaking to the former Minister because he was insulated and protected by his personal staff, who were on the public payroll at a cost of \$1.3 million a year. They have all gone. Ministers are now running their offices with two or three staff only.

There will be a heavy workload for Parliamentary secretaries, especially in the big portfolios. The workload will be greater because the change of government in Victoria is not just a matter of a change of jockey in the saddle. The government's administrative structure will be changed so that Parliament has a greater influence. Ministers will actually have their hands on the levers. Government backbenchers will have a part to play not just as cannon fodder in divisions while being kept in the dark. Parliamentary secretaries will have

substantially expanded roles to play in the relationship between backbenchers and Ministers as the government puts its agenda in place — a substantial and different agenda from that of past governments — in a whole range of areas such as deregulation, privatisation, and as a result those members will be entitled to a modest increase in emolument in recognition of that workload.

Mr Nardella says that his constituents at Coolaroo are disadvantaged by \$364 a year because of the new revenue measures that the government has been forced to introduce. I invite him to recall, as the citizens of Coolaroo recall, why it was necessary to introduce such measures. It was because of the ineptitude and abysmal financial management of the previous government. Debt was so high that such measures had to be taken. If they had not been taken the job losses in the State would have continued and Mr Nardella's constituents in Coolaroo would continue to lose their jobs. The government is about restoring confidence, jobs and employment, and Mr Nardella's constituents will be better off under the government as it restores confidence in Victoria, in the rest of Australia and elsewhere than would have been the case if the former regime had been permitted to go along its merry way. Moody's would have continued to downgrade the State's credit rating and Victoria would have rapidly sunk to becoming a banana republic.

It is 20 years since the Parliamentary Salaries and Superannuation Act was substantially amended. If it were immutable, as Mr White suggests it should be — he suggests that it should never be changed to take account of changing circumstances — nothing would change. That surely is not the argument he is advancing.

The government is to be commended for acting to recast the Act so that it will more properly represent and reflect the relative responsibilities that members of Parliament have in their duties and the positions they hold in the Parliament. It would be irresponsible if those changes were not made. I believe they have been correctly made and time will show that they have been made in a reasonable manner.

I return to my opening remarks: it is depressing that no substantial argument has been put. All the opposition did was deliver a tirade of abuse and offensive remarks against individual members of Parliament. The Parliament deserves better.

Hon. W. A. LANDERYOU (Doutta Galla) — I support the criticisms made by Mr White.

Hon. K. M. Smith interjected.

Hon. W. A. LANDERYOU — You have been trying to stab me in the stomach, but it has not worked. You should have been present for most of the debate.

The Bill epitomises the government's approach — —

Hon. K. M. Smith interjected.

Hon. W. A. LANDERYOU — If you listen, Mr Smith, you might learn something.

Hon. J. V. C. Guest interjected.

Hon. W. A. LANDERYOU — Mr Guest and his colleagues have for years lectured the labour movement about the importance of the umpire in the industrial arena. One should abide by the umpire's decision; one should take arguments to arbitration. The government has now developed the concept that was driven by the doctrinaire approach practised in the industrial arena by people such as the Treasurer and others, but they failed. They could not present their arguments, but they are now implementing by legislation the failed doctrines on which they could not convince the umpires.

The government is now saying to the work force that people should be subjected to the concept of contracts and should get out of the centralised wage-fixing system that has served this country for so long; that the system should be dismantled and replaced by a contract system between employer and employee.

Members of Parliament will be the beneficiaries under the proposed measure. With whom did they negotiate their contracts? In the case of the Minister for Industry and Employment in the other place, the architect of the philosophy of the new right of the Liberal movement, he said that he did not know about it and that, "I might be the deputy Leader, the second most powerful person in Parliament, but nevertheless I was not consulted so I don't know anything about the proposed new contract".

The Parliament is being asked to approve increases in the salaries of the Leader of the House in the other place and other members by this measure that was rushed through Cabinet. The Leader of the House said, "I must have sneezed at that crucial point so it

did not affect me". He has introduced legislation that will make every person in Victoria negotiate directly with an employer. He would have to say, "I don't know who my employer is. It couldn't be the people of Victoria because I never disclosed before the election what I was going to do with respect to my salary; it couldn't be the Cabinet because no-one seemed to know what the Cabinet agreed to. It certainly couldn't have been members in the coalition party room because they did not see the legislation".

When the Bill saw the light of day and in the excitement of spending the money advances, members forgot about the reaction of the people of the State to such an audacious measure. The measure proposes sacking all of the umpires in the industrial arena and there will be no consultation. Every employee in the State will be subject to the tyranny of a personal contract. That is a 19th century concept; it even goes as far back as the 18th century. It will turn employee against employee. There will be no rights in the marketplace. The government is creating an 18th century concept of market philosophy that has never worked anywhere in the world. The government is saying, "We will use that against the work force in this State".

Those who are the beneficiaries of this measure have been caught out and publicly exposed by the opposition and the media for having their fingers in the honey jar. The Leader of the House rammed through the Bill in the other place but was caught out. It was the most miserable performance of any Deputy Leader of any Parliament. He said on television later, "Take me out of the Bill". The next morning he had changed his mind and was crawling to the Premier to amend the legislation. That is the sort of person who is putting to the State and to the workers that workers must negotiate secret contracts. He has said, "Don't blame me, I didn't know about it if we are interfering with the salary of committee chairmen in this place without consultation". The people of Victoria have not been informed about what is happening, let alone the Parliament; it was in a press release. That is the sort of contempt that the extreme right has had towards the Parliamentary process throughout history.

That is the philosophy that rednecks like Mr Smith follow. They want the right as employers to contract individually with their employees. Who represented the Presiding Officers at the negotiating table? It was not Phil Gude! He says he did not know about it. It was not Steggall, because he did not know about it. It was not James Guest, because the Liberals never

let him in on anything. It was certainly not bustling Billy Baxter, because the Liberals would not trust him with the rent.

Some ideologues on the other side of the Chamber have been able to influence a key decision that affects the welfare of the Parliament and, through it, the people of Victoria, not by disclosing before the election that this would be the policy they would take to the people but by conspiring in smoke-filled rooms and the canteens of Parliament about what old boy would be on what list when the new government was elected. The polls told the Liberals they would win so they said, "Listen, Smithy, this is what you will have". That is what went on; we all know it. The new geese that came in here after the election avalanche have fallen for the thimble and pea trick. They got nothing, but Jeff's old boys all turned up on the gravy train.

I am pointing out that the so-called architect of the proposal to destroy the wage-fixing system of this State, who claims publicly to be part of the Cabinet that drew up the legislation, says he did not know anything about it. What deceit! It is an outrage. The government thinks people are so gullible that they will fall for this nonsense.

The President of this Chamber was not only appointed — or anointed — by the Premier but was also given a salary cut. There is no justification for that; nor is there justification for the increased role of chairmen of committees. Having been one I have great respect for the importance of such a job, if it is taken seriously by members of the Liberal Party. I have respect for the concept of Parliamentary secretaries, but we must confront the issue of whether it is honourable for a government to say that it will introduce a contract-negotiable position for every worker in Victoria but say in respect of itself that it will negotiate with Jeff and that Jeff will decide what goes on.

His deputy says he did not negotiate and does not know what is going on. He certainly does not! I am one of the beneficiaries of this measure — —

Hon. K. M. Smith — There's been a dreadful mistake! A typographical error!

Hon. W. A. LANDERYOU — It is with fear and trepidation that I draw your attention to it, Mr Smith! I am like you, Mr Guest, I am not programmed to knock back salary increases. Nobody consulted me. I do not know to whom I am supposed to go to negotiate my new contract.

Nobody suggested that this should be a role for an independent arbitrator; in fact, the reverse. It should be negotiated with my employer, who happens to be the electorate of Victoria. However, the people were not told about it. It is a shameful, grubby deal that was hidden away and kept from the people.

I hope it will be understood by those who are too thick to take it in unless it is repeated that the government did not raise this Bill as a matter of principle and importance. First of all it provided for four new jobs to keep the Nationals happy and then it introduced this sleazy bit of gravy train stuff. It was not thought through and it is not justified, but it is waved away by the abuse of outgoing Ministers and their staff. It is disgraceful and it sets new low standards for Parliamentary behaviour in Victoria.

Hon. PAT POWER (Jika Jika) — I am happy to make a brief contribution to the debate and I do so by asking a question I have raised on several occasions: does the Kennett government have a mandate to conduct this major change? I do not contest the fact that the new government has the right to restructure its Ministry in any way it sees fit. That is not the matter in dispute. The opposition is concerned that the end result is something the whole community understands and supports.

I draw the attention of the House to an editorial that appeared in the *Age* of 2 November stating:

It is hard to imagine a more potent or more public symbol of a self-indulgent government attending to its own pleasures while the majority are being asked to subsidise the Bill.

The editorial relates directly to the issue of the additional money required for the restructured Ministry. The opposition has made many comments about the qualities of the individuals who have been told by the Premier to fill some of those positions. As a new member in this House I wait with interest to see whether the claims made on this side of the House and the optimism being practised by the Premier become reality.

On behalf of the 120 000 voters in my electorate I take this opportunity to point out that there is a double standard involved in this process. Mr Landeryou pointed out most eloquently that Victorian workers in the broader community are being asked to subject themselves to draconian new measures in respect of their conditions and remuneration. They will suffer more than decreases in their take-home pay. Again, I use the *Age* to

support my argument. An article in the *Age* of 27 October states:

It is grossly insensitive to ask average families to take a hit for the good of the State while rewarding a favoured few who will oversee the implementation of tough policies.

That article relates directly to the issue of the additional moneys the restructure will cost taxpayers. I emphasise again that I do not contest the fact that the government was given a mandate in October. I also do not contest the fact that the new government will look at the dilemmas faced by Victorians as it sees them and will establish a form of machinery that it considers will best deal with the dilemmas. However, it must be extraordinarily difficult for honourable members on the government benches to go back to their electorates and walk through the streets of the cities and towns and tell the people that it is equitable for members of the government to receive the remuneration increases that they are destined to receive while at the same time telling the workers that they are to be treated in a way directly in reverse of the treatment of members of the government.

Speakers from the government side have indicated that they fully support and are comfortable with what will be the outcome of the Bill. They have indicated that they are comfortable with the personnel who have been chosen by the Premier for the various tasks listed in the Bill and that they are comfortable with the notion that those individuals will receive a 15 or 20 per cent increase in their remuneration packages.

As time goes by, honourable members on the government benches will have to face their electorates in general and particularly individuals whom they meet as local members of Parliament. Victorians will begin to understand, as was pointed out in the *Age*, that the workers are directly funding the increased remuneration packages of members of the government.

I conclude my contribution to what has been a long debate by quoting from the *Age* of 2 November in which the Premier is reported as saying:

... there have been a couple of areas where we have been able to do better.

Obviously increased remuneration packages formed one of the "couple of areas" to which the Premier was referring. If he can signal to the community that

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it is an area in which the government ought to do better, I encourage honourable members on the other side to take that into account and to withdraw the Bill until further debate can be conducted on it.

I refer finally to the editorial of the *Age* of 2 November, in which the following appears:

Mr Kennett should repeal immediately the legislation that granted the rises.

The provisions of the Bill are not in the best interests of a good Parliament; they are not in the best interests of helping Victorians. I urge government members to reconsider their position on the Bill.

House divided on motion:

Ayes, 29

Asher, Ms	Forwood, Mr
Ashman, Mr	Guest, Mr
Atkinson, Mr	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr	Hartigan, Mr
Birrell, Mr	Knowles, Mr
Bishop, Mr	Skeggs, Mr
Bowden, Mr	Smith, Mr
Brideson, Mr	Stoney, Mr (<i>Teller</i>)
Connard, Mr	Storey, Mr
Cox, Mr	Strong, Mr (<i>Teller</i>)
Craige, Mr	Varty, Mrs
Davis, Mr	Wells, Dr
de Fegely, Mr	Wilding, Mrs
Evans, Mr	

Noes, 14

Davidson, Mr	Mier, Mr
Henshaw, Mr (<i>Teller</i>)	Nardella, Mr
Hogg, Mrs	Power, Mr
Ives, Mr	Pullen, Mr (<i>Teller</i>)
Kokocinski, Ms	Theophanous, Mr
Landeryou, Mr	Walpole, Mr
McLean, Mrs	White, Mr

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That it be a suggestion to the Assembly that they make the following amendment in the Bill:

1. Clause 2, line 6, omit "(1) Sections 1, 2 and 3 come" and insert "This Act comes".

All of the suggested amendments revolve around one issue. As the Premier has said, the government will be seeking to amend the Bill in this House by recommending to the Assembly the deletion of references to increases in remuneration for the Deputy Leader of the Major Party and the Senior Parliamentary Secretary. Mr Gude and Mr Steggall in another place — the Minister for Industry and Employment and the honourable member for Swan Hill — have indicated that they do not want to be recipients of increases in their basic salaries. These amendments will ensure that that is put into place.

In subsequent amendments the government will suggest deleting references to Senior Parliamentary Secretary and the Deputy Leader of the Majority Party. The suggested amendments reflect some of the comments that were made in the second-reading debate about concerns about those payments going ahead. Those concerns were aired publicly, and in response these amendments are being suggested.

Suggested amendment agreed to.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That it be a suggestion to the Assembly that they make the following amendment in the Bill:

2. Clause 2, lines 8 to 11, omit sub-clauses (2) and (3).

This suggested amendment is consequential on the suggested amendment just agreed to.

Hon. D. R. WHITE (Doutta Galla) — I seek some guidance, Mr Chairman. I have not seen the Minister's suggested amendments before and I understand that I should now move my suggested amendments.

The CHAIRMAN — Order! Mr White cannot move his suggested amendments as yet but can foreshadow what he intends to move.

Hon. D. R. WHITE — Although all the suggested amendments are complex, the Minister has said that his suggested amendment is consequential to the

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suggested amendment just agreed to. The suggested amendment I foreshadow is also consequential.

I will also be seeking to delete "Senior Parliamentary Secretary" from clause 5 and to go further by removing the category of Parliamentary Secretary from the table in clause 5.

The Minister for Industry and Employment in another place has acknowledged that the position of Senior Parliamentary Secretary should not continue and that the position of Deputy Leader of the Majority Party should also cease to exist. The opposition does not oppose those changes. Although Mr Steggall and the Minister in another place have recognised that some change must take place because there is community outrage about the proposed increases, the government has still not gone as far as the opposition would like. The opposition would like to see the removal of remuneration for Parliamentary secretaries.

The opposition also makes it clear that it is opposed to further increases in the salaries of committee chairmen. While the government has conceded on two fundamental points, further increases are not justified in the salaries of committee chairmen. Therefore, I foreshadow the suggested amendments in response to those proposed by the Minister.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — Let us say we are debating meaning rather than content. We are not really debating Mr White's suggested amendment No. 2, which on its face is meaningless; we are debating what it gets to. We do not accept the suggested amendment which, unless I am mistaken, has the aim of deleting the ability to remunerate Parliamentary secretaries. The government does not accept that view.

The government believes that, consistent with the idea of establishing a career structure, Parliamentary secretaries should be remunerated. The government has adopted the model used by the Hawke and Keating Federal governments. The government will, therefore, oppose the suggested amendment. I suggest that this be a test of the stances of the opposing sides of the House on this issue.

The CHAIRMAN — Order! I believe the appropriate way of dealing with this issue is to put suggested amendment No. 2 standing in the name of the Minister for Conservation and Environment in order to allow Mr White to test his suggested amendment No. 2.

Hon. D. R. WHITE (Doutta Galla) — On a point of order, Mr Chairman, could you further clarify what will happen to the suggested amendment I am proposing if the Minister's suggested amendment is agreed to by the Committee? I understand that if the suggested amendment proposed by the Minister is agreed to by the Committee there will still be an opportunity for the suggested amendment I am proposing to be put to the Committee; that the question you will now put will not be the threshold vote in relation to the differences between the government and the opposition.

The CHAIRMAN — Order! You will be permitted to put your suggested amendment in due course.

Hon. D. R. WHITE — The opposition does not oppose the Minister's suggested amendment No. 2.

Suggested amendment (proposed deletion of subclause (2)) agreed to.

Hon. D. R. WHITE (Doutta Galla) — I move:

That it be a suggestion to the Assembly that they make the following amendment in the Bill:

2. Clause 2, line 10, omit "5 and 6" and insert "4 and 5".

I have already explained to the Committee the reasons for this amendment.

Committee divided on suggested amendment:

Ayes, 14

Davidson, Mr (<i>Teller</i>)	Mier, Mr
Henshaw, Mr	Nardella, Mr
Hogg, Mrs	Power, Mr
Ives, Mr	Pullen, Mr
Kokocinski, Ms	Theophanous, Mr
Landeryou, Mr (<i>Teller</i>)	Walpole, Mr
McLean, Mrs	White, Mr

Noes, 28

Asher, Ms	Forwood, Mr
Ashman, Mr (<i>Teller</i>)	Guest, Mr
Atkinson, Mr	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr (<i>Teller</i>)	Hartigan, Mr
Birrell, Mr	Knowles, Mr
Bishop, Mr	Skeggs, Mr
Bowden, Mr	Smith, Mr
Brideson, Mr	Stoney, Mr
Connard, Mr	Storey, Mr
Cox, Mr	Strong, Mr
Craige, Mr	Varty, Mrs

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Davis, Mr
de Fegely, Mr

Wells, Dr
Wilding, Mrs

Mr White's suggested amendment negatived.

Suggested amendment (proposed deletion of subclause (3)) agreed to; clause postponed.

Clause 3 agreed to.

Clause 4

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That it be a suggestion to the Assembly that they make the following amendment in the Bill:

4. Clause 4, omit this clause.

This amendment has the effect of deleting the reference to senior Parliamentary secretaries.

Suggested amendment agreed to; clause postponed.

Clause 5

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That it be a suggestion to the Assembly that they make the following amendment in the Bill:

4. Clause 5, in the Table, omit "and Deputy Leader of the Majority Party (unless he or she is also Deputy Premier)".

This amendment deletes the reference to remuneration for the Deputy Leader of the Majority Party. We have canvassed this matter both in the second-reading debate and in earlier stages of the Committee debate.

Suggested amendment agreed to.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I move:

That it be a suggestion to the Assembly that they make the following amendment in the Bill:

5. Clause 5, page 3, in the Table, omit — "Senior Parliamentary Secretary 32".

This amendment is consequential. It also has the effect of deleting the reference to "Senior Parliamentary Secretary" from the table in the Bill.

Suggested amendment agreed to.

Hon. D. R. WHITE (Doutta Galla) — I move:

That it be a suggestion to the Assembly that they make the following amendment in the Bill:

6. Clause 5, page 3, in the Table, omit — "Parliamentary Secretaries 15".

The amendment deletes for the purposes of remuneration Parliamentary secretaries and the percentage of 15 from the table.

Suggested amendment negatived.

Hon. J. V. C. GUEST (Monash) — I make two points on clause 5 — and I am not in the business of speaking of reputations as Mr White did earlier today. I omitted to say something that is quite important to debate. It has been asserted that a 10 per cent salary increment, or a net 5 per cent, for chairmen of committees is outrageous. I think that was the word used to describe the legislation as a whole. I was reminded that 10 years ago the then government introduced legislation to provide for a 10 per cent increment for chairmen of committees without any prior consultation and without it being part of their mandate — "mandate", after all, is a word the opposition very much likes to use.

The Liberal and National parties are conservative in some senses of the word, so we took the cautious view at that time that a 5 per cent increment was sufficient. I could only anticipate the objections of the opposition; I anticipated its hypocrisy. It could be said that the opposition ruined the economy of the State. It took over a healthy State in 1982. At that time we could afford a 10 per cent increment, but now we cannot afford it. If opposition members are prepared to admit that, I am prepared to listen to them.

The only other point I make is that I omitted to offer Mr White the challenge that I promised during his speech. He challenged me in his mischievous way to achieve a headline, as Mr Landeryou put it, but I challenge him to put his suggested amendments — the substance of what he is arguing for — and to recognise that if he does so he will be accepting the deletion of the 10 per cent.

He would have to go much further to recognise what the opposition when in government did to the State. If the opposition were contrite about what it has done, if it were willing to admit what it has done to the State, it would propose a general reduction of salaries for all members of Parliament. It is

interesting that we have not heard anything like that from the opposition.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — Mr Guest has made a very useful point in his recalling history as opposed to mythology on the contents of this table. Certainly when the Cain government was in power it proposed that Parliamentary committee chairmen be paid 10 per cent above a member's base salary. That is exactly what we are proposing now.

An honourable member interjected.

Hon. M. A. BIRRELL — I do not know about giving Mr Fogarty and Mr Bunna Walsh cars under the previous government. For the purposes of the archives, if nothing else, it is worth putting on record that the proposal we are putting forward now, which the Labor Party so strenuously opposes on moral grounds, is exactly the proposal it put forward in 1982 without consultation. I also put on record that this proposal includes a certain number of pay cuts for members on the coalition side of the Chamber.

Despite the mythology enjoyed by the knockers of politics that pay rises are to be condemned, the Bill involves pay cuts. If the provision is passed the President of this House will receive less pay and the National Party Whip will receive less pay. A salary of 4 per cent more than the base member's salary for Peter Hall is a lot better value than 11 per cent above the base member's salary for Cyril Kennedy! Newer members to this place will not remember Glyde Algernon Surtees Butler, but he used to be the Government Whip. Members who remember him will know that we are now getting value for money!

This provision involves members of the coalition voting in favour of cutting their salaries, which is something the Labor Party does not want to talk about, but it is what they will vote for.

Clause postponed.

Clause 6 agreed to.

Progress reported.

Suggested amendments reported to House.

Report adopted.

Ordered to be returned to Assembly with message intimating decision of House.

VITAL STATE INDUSTRIES (WORKS AND SERVICES) BILL

Introduction and first reading

Received from Assembly.

Read first time for **Hon. HADDON STOREY** (Minister for Tertiary Education and Training) on motion of **Hon. R. I. Knowles**.

Sitting suspended 6.26 p.m. until 8.2 p.m.

CAPITAL CITY (SHOP TRADING) BILL

Second reading

Debate resumed from 4 November; motion of **Hon. M. A. BIRRELL** (Minister for Conservation and Environment).

Hon. B. E. DAVIDSON (Chelsea) — In the four years I have been privileged to be a member of this Chamber I have spoken on the issue of shop trading hours two or three times, and each time I have had the same sorts of battles either in the Chamber or in the party room. The extension of shop trading hours is a vexed question; the proponents of each side will have to agree to disagree, because I doubt that consensus is possible.

I shall not cover old ground by harping on the devastation that has been caused in those countries that have introduced extended shop trading hours. Instead I shall concentrate on the good and bad sides of the Bill. Although the Bill deals with extended shop trading hours in the central business district (CBD) and Southbank, I do not believe for 1 minute that that is where the matter ends. The Bill is the thin end of the wedge. The government's aim is open slather — and it has to start somewhere.

I have endeavoured to discover who will benefit from the Bill. With that in mind I read last weekend's Sunday newspapers to see what advantages the government was claiming for legislation. The articles I read quoted the Minister for Major Projects, Mr Birrell, as saying that the large retailers would enjoy an increase in turnover, a few tourists may be able to shop on Sundays and extended trading hours may be convenient for some domestic shoppers — not very many people in total. That is where the list ended.

The Minister may have cited a longer list, but, if he did, the *Sunday Age* and the *Sunday Herald-Sun* did

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not deem it worthy of reporting. Another probable beneficiary the *Sunday Herald-Sun* did not mention is the newspaper itself. As has happened in the United States and other countries, when the advertising revenue of Sunday newspapers falls they look around for ways to increase revenue. The introduction of extended shop trading hours in the CBD and Southbank will result in the major retail chains producing glossy brochures and supplements to entice customers to shop at their stores in the hope of purchasing goods at bargain prices. The *Sunday Herald-Sun's* gravy train has rolled in. The newspaper is being paid back for the biased reporting of the election campaign and all the favours it has done for the coalition parties over the past twelve months.

During question time today the Leader of the Government claimed that the government would never use a cheque book in the ways described on a radio program. I happen to agree with him, because the government has discovered a breathtaking way of going one better.

Hon. W. A. N. Hartigan — This is another one of your conspiracy theories, is it?

Hon. B. E. DAVIDSON — It may be, but it is the government that is involved in the conspiracy. Extended Sunday trading will certainly benefit the *Sunday Herald-Sun*, Sunday after Sunday, week after week.

The groups and organisations and clubs that should have been consulted before the Bill was introduced include some of those for whom Sunday is very important. Were sporting organisations such as the Australian Football League and the Victorian Football Association consulted?

Hon. M. A. Birrell — About Sundays?

Hon. B. E. DAVIDSON — Yes, they hold football matches on Sundays.

Hon. M. A. Birrell — They are not against it.

Hon. B. E. DAVIDSON — What about the Victoria Amateur Turf Club and the Victoria Racing Club (VRC)? Those sporting organisations would not welcome competition from Sunday trading.

Hon. M. A. Birrell — They have said that to you?

Hon. B. E. DAVIDSON — Have you consulted them?

Hon. M. A. Birrell — Yes.

Hon. B. E. DAVIDSON — You have?

Hon. M. A. Birrell — We announced the policy a year and a half ago.

Hon. B. E. DAVIDSON — I'd love to hear about what was said during the consultations! Last week I spoke to blokes from the VRC and the Royal Agricultural Society of Victoria. Those organisations have not been consulted.

Hon. M. A. Birrell — You said they were against it.

Hon. B. E. DAVIDSON — I am saying they do not want the competition. It is not only the people who shop on Sundays who will be prevented from attending sporting functions.

Hon. W. A. N. Hartigan — What about freedom of choice?

Hon. M. A. Birrell — They will not be prevented; they will be able to make a free choice.

Hon. B. E. DAVIDSON — What about the shop assistants, the people who work in the shops? I heard an interjection from Mr Hartigan about choice. I understand that in proposed legislation that may be brought on for debate tomorrow the freedom of choice on whether one wants to work on Sundays will be removed, so there will be no choice. Those sporting and recreational bodies will have to compete against Sunday shop trading and they will not like it.

Honourable members interjecting.

Hon. B. E. DAVIDSON — The people who are forced to work on Sundays will not be able to attend or take part in sporting events. It will not help their lifestyles.

What do the churches think? They really like Sunday shop trading!

Honourable members interjecting.

Hon. B. E. DAVIDSON — I have letters and press releases in my files from the Anglican Church of Australia, from Archbishop Frank Little, the Catholic Archbishop of Melbourne, and from the Christian Patriots and Reverend Connan from the Frankston Uniting Church. All of those people are of

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one accord. They do not want Sunday shop trading. The sporting and recreational bodies and the churches do not want Sunday shop trading.

What is the position of small to medium-sized shopkeepers? They are the people who used to support the Liberal Party. They were the heart and soul of the heartland in the eastern suburbs.

Hon. Rosemary Varty — You leave them alone!

Hon. B. E. DAVIDSON — I also have press releases on my file — —

The PRESIDENT — Order! I know honourable members are in a good mood after dinner but it is very difficult to hear Mr Davidson even at the best of times because he usually speaks softly. He is not helped by the barrage of interjections that are flowing across the Chamber. I ask honourable members to give him the courtesy of being heard.

Hon. B. E. DAVIDSON — Thank you, Mr President; it is not as if I interject very much myself. I have letters and press releases in my files from the Combined Retailers of Victoria; the Save our Sundays Committee; numerous chambers of commerce; Associated Retailers Ltd; the Meat and Allied Trades Federation of Australia; the Retail Confectionery and Mixed Business Association; and untold numbers of letters from individual shopkeepers who have sent letters to my office saying they do not want extended shop trading.

Hon. B. N. Atkinson — In the suburbs. They have not said anything about the CBD.

Hon. B. E. DAVIDSON — I said at the beginning of my speech that this is the thin end of the wedge. The government should recall what happened in Springvale during the election campaign. The people came out with their shopping bags indicating support for the Labor Party not for the Liberals.

Hon. M. A. Birrell — That really hurt us!

Hon. B. E. DAVIDSON — It did at the time.

Hon. M. A. Birrell — We went to the election with this policy. Do you think it hurt us?

Hon. B. E. DAVIDSON — It did a lot of damage. There are many people who share my views and the views of shopkeepers. One person whose views are well recorded is Mr Pat McNamara, the Deputy Premier. He commented on Sunday shop trading

while sitting on the stump a few years ago. An article in the *Benalla Ensign* of 2 January 1985 reports him as having said :

The only people pushing for the longer hours are the larger retailers.

Mr McNamara said a NSW Retail Traders Association proved extended hours did not increase turnover or patronage for small retailers ...

There is no extra trade but there is a huge increase in overhead costs for the businesses that stay open longer.

For the privilege of longer hours the shopper is therefore going to have to pay more.

Mr McNamara said small businesses were part of the "soul" of the community, which deregulation threatened to destroy.

He added extended hours will also disrupt family and social life.

Mr McNamara then referred to the number of people in Benalla who were involved in sport.

Hon. M. A. Birrell — In Benalla?

Hon. B. E. DAVIDSON — It is not the only place where people participate in sport or other family activities on Sundays.

What does the Shop, Distributive and Allied Employees Association say? Honourable members will be aware that since the election the union has not been consulted on this matter. In the *Sunday Age* of 1 November Mr Maurice Reed, the State secretary of the association, is reported as having said that he had made dozens of calls to the office of the Minister for Conservation and Environment but they had not been returned.

Hon. M. A. Birrell — Shame!

Hon. B. E. DAVIDSON — He was pretty disappointed. The union is obviously opposed to Sunday shop trading, but the government's position could not be made any clearer. The government, led in this case by the Minister for Conservation and Environment, could not give a damn about the people most affected — the shop workers. Will the central business district and Southbank have continuing exclusive rights to Sunday shop trading? I do not believe so. Regional shopping complexes will want to have a bite as well. They will pressure

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the government to enable them to trade on Sundays. The major retail chains will ensure that they do. I have no doubt about it. The major chains will be pushing hard to ensure that happens. Sunday shop trading in the CBD will not work. It will not give retailers the lift they are seeking.

Hon. M. A. Birrell — It won't?

Hon. B. E. DAVIDSON — It will not and it cannot.

Hon. M. A. Birrell — What would be the measure of it not working? How would you know it would not work?

Hon. B. E. DAVIDSON — I guess one would know by the squeals coming from one's constituents in the large retail chains.

Hon. M. A. Birrell — It would be judged by the consumers turning up.

Hon. B. E. DAVIDSON — Or not turning up. Another question is: will people spend more money with Sunday trading? They would not spend any more — the Deputy Premier got it right — because under this government they would have a darn sight less money to spend and longer hours to spend it in. The government has scrapped the 17.5 per cent leave loading so people certainly will not have that to spend at Christmas. The Christmas stocking will be empty. That Christmas spending will be lost forever. A component of shop trading has been that retailers, large and small, have looked forward to the Christmas trading period because that is when people have had the 17.5 per cent leave loading to spend on Christmas shopping.

Will Sunday trading advance tourism and the leisure industry? It will not advantage the tourism industry because most overseas tourists spend only a day or a day and a bit in Melbourne.

Hon. M. A. Birrell — What if it is on a Sunday?

Hon. B. E. DAVIDSON — It will not make the difference that would make it worth while for shops to stay open. In the leisure industry the weekend trading is finished for camping shops, boat shops and shops that sell anything to do with leisure because people will have to work, rather than spend their time at leisure activities. The government is killing the weekend. The leisure industry is one of the few industries that has prospered over the past few years but the government is taking away the

weekend. For all I know, when the government takes away the awards it will also take away long weekends and public holidays. The leisure industry is in for an especially bad time.

Will more people go shopping on Sundays in the city than now? The answer is no. Shop trading in the city depends on the work force in the city, the business houses, banks, brokers, medical places and so on. The people who work in those businesses do their shopping in the city. If the only people in the city on Sunday are the shopkeepers who are behind the jump, who will buy their goods? People will not come in from the suburbs.

Hon. M. A. Birrell — Myer will be empty on Sunday. That will be our test if Myer is empty on Sunday.

Hon. B. E. DAVIDSON — It will be interesting to see what happens in the next 12 months. The other problem is that after a short period the retail chains will say that they do not have enough so they had better go back to their mates in the Liberal Party and get another bite of the cherry. Chadstone, Northland and Southland shopping centres and all the rest of the shopping centres will then be open. There will be no reason then for people to come into the city on Sunday.

It is a farce to say Melbourne will be revitalised by opening the shops on Sunday. In almost any street in Melbourne one could fire a cannon at lunchtime on any day of the week and one would not hit anyone.

Who will be the major beneficiaries of the Bill? The answer is: the major retail chains. They already receive more than 60 per cent of the retail turnover. The only way they can increase that, apart from more people coming into their shops, and I cannot see that happening, is to either take a larger share away from other major retail chains or to take it off the small shopkeepers, and that is probably what they will do.

That is what happens overseas and one does not need to be an oracle to work it out. Small retailers will be unable to open 24 hours a day, 7 days a week, and they will get the stitch and close their doors. When people turn up to shop they will be able to shop only in the large retail chains. Some of the small retailers will go out of business and that is already happening in strip shopping centres in the suburbs of Melbourne. The large centres have taken over. Even the small retailers in the large shopping

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centres tell me they are finding it hard to make ends meet.

To recap, there are few advantages except for a few large companies and the newspapers, of course. There are many disadvantaged groups such as the sporting bodies, churches, families, small to medium retailers, the unions and their workers and city traders in general. I am not talking about the large chains but the small shops who will not be happy about this. Shoppers will be disadvantaged because the prices will increase. Tourism will not really be helped and the leisure industry will probably be flattened.

The final question is: if there are so many disadvantages, why is the government doing it? In my view, Pat McNamara in 1985 got it dead right. He said the Liberal Party was in favour of extended hours and had been offered \$500 000 by bigger firms to deregulate Victorian trading. I believe that offer is still about. The government is selling out the interests of small business and the consumer.

The PRESIDENT — Order! Mr Davidson, is that the same article from the *Benalla Ensign*?

Hon. B. E. DAVIDSON — Yes, it is the same article. What is more, Mr Kennett demanded an apology, but he never got it.

In the Age of 12 January 1985 Mr Ross-Edwards said there would not be any apology. The Deputy Premier was reported as saying that the Liberal Party had copped a backhander of \$500 000 to sell out to small retailers. The then Premier said they had not done it. One was telling the truth.

Hon. W. A. N. Hartigan — Would you like to hazard a guess?

Hon. B. E. DAVIDSON — Today the National Party said it was not a party of liars, and the remark was withdrawn. I can only believe the National Party members when they say they are "truth-sayers"; they say they are not liars.

The inescapable conclusion is that either the present Deputy Premier lied or the present Premier lied — I do not know which one it was. Perhaps someone on the opposition benches can fill me in.

Hon. W. A. N. Hartigan — You tell us about it.

Hon. B. E. DAVIDSON — I believe the Minister for Police and Emergency Services in the other place

got it right. The former Leader of the National Party, Mr Ross-Edwards, is a very fair man. If he thought something was over the odds he would have gone to the Premier and apologised like a man. He said, "There will be no apology". I can only guess that since then a little backhander has gone from large retailers to the Liberal Party in each campaign.

However, today the gravy train came in because not only do they pay off the large newspapers — —

Hon. G. R. Craige — Like Peter Spyker's gravy train, with handouts to the ALP.

Hon. B. E. DAVIDSON — They are paying off in spades. Why have they not introduced the lot? They talk about conspiracy theories — —

Hon. W. A. N. Hartigan — You should write a book about this.

Hon. B. E. DAVIDSON — I know the Liberal Party has enough rat cunning, that if they give out all the goodies on one occasion there will be no more pay days. You must "salami slice" the victims, little by little. If you give out a little at a time they will keep paying up like the mugs they are.

That is the theory and the reason why the government has introduced the Bill. That is why it has not proceeded with the much vaunted part about allowing local government to make applications for local shopping centres — at least, not just yet.

Either the Deputy Premier was a liar in 1985 or our Premier was — I do not know who.

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — On a point of order, Mr President, Mr Davidson has by direct statement and imputation reflected on two honourable members in the other House — the Premier and the Deputy Premier — who have no chance to defend themselves. I ask that Mr Davidson withdraw that imputation and statement.

Hon. B. E. DAVIDSON (Chelsea) — On the point of order, Mr President, I am referring to two matters of fact. I am not making an imputation.

Hon. M. A. Birrell — You said one is a liar.

Hon. B. E. DAVIDSON — I am saying one said something happened and the other said it did not. One has to be right and one has to be wrong. If I

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withdraw, it does not make the slightest difference to the facts.

The PRESIDENT — Order! The Leader of the Government has taken objection to the statement made by Mr Davidson when he said either one of two people is a liar. That is offensive and I ask the honourable member to withdraw that imputation.

Hon. B. E. DAVIDSON — I withdraw. I am simply saying that at least one told the truth; so far as the other is concerned, I will let honourable members draw their own conclusions. This Bill does not deserve much consideration.

Hon. LOUISE ASHER (Monash) — I support the Bill. Unfortunately, the map on the final page of the Bill went unnoticed by Mr Davidson. He may wish to take note that it applies to the central business district (CBD) and parts of my province of Monash. I am delighted at the opportunity for an economic boost in the retail industry in my electorate. I welcome the Bill.

Hon. W. A. N. Hartigan — What about Benalla?

Hon. LOUISE ASHER — I am talking about Monash Province at the moment. I should add that I did not receive any donations from any retail sector for my campaign.

I support the total deregulation of trading hours in the CBD. I still call the CBD the central business district although when in government the opposition called it the central activities district. This was presumably because they were intent on driving all business away from the city. Extended retail trading hours will greatly assist the development of the city's economy. The existing law regarding trading hours is a hotch-potch and has little detail attached to it.

This Bill goes some way towards freeing the system in the CBD and in areas of my electorate extended trading hours are already allowed, for example, in areas classified as tourist precincts.

Some areas in my electorate can take advantage of being classified as tourist or holiday areas. They extend to markets and similar businesses; the previous government made a poor attempt to clarify some areas. It designated certain Sundays as trading days in certain areas.

Various types of businesses are exempt from the Shop Trading Act. One is able to buy antiques,

flowers, bread or a certain range of goods exempted under the current Act. However, if one wished to buy clothes — heaven forbid — in the city, the present Act does not allow that. It is important that the Bill goes some way towards allowing shops to open and providing the range of services that the community demands, particularly on Sundays.

There are severe disadvantages to consumers and business because of the current restrictive trading hours. Mr Davidson paid much attention to the large retailers benefiting from this Bill. However, many small businesses in the designated area — and in my electorate — may wish to open in the city on Sundays.

The Bill will allow businesses the choice of opening or staying closed. I remind honourable members opposite that it will not be compulsory to open retail stores. Deregulation does not mean they have to open; it is a matter of choice for those who wish to open. If they believe they can make a profit, and can service the needs of their consumers, and sell their goods, they are free to open. However, they are not forced to open. It is called "choice" — a whole new concept for those on the other side.

Hon. R. S. de Fegely — They don't understand that argument.

Hon. LOUISE ASHER — That is correct, they do not understand. It is a pity for those in the city who wish to open that the opposition has such an intransigent attitude. It is a pity that shopkeepers in the city cannot open when they wish to do so.

Mr Davidson made several ridiculous statements. He claimed the Bill was the forerunner of total deregulation across the system and that open slather would occur later. That is incorrect. In his second-reading speech the Minister explained that the status quo would remain for the parts of Melbourne not so designated in the Bill. I fail to understand any conspiracy theory in that.

Hon. D. A. Nardella — You will eat your words on that.

Hon. LOUISE ASHER — It is a matter for the local councils to determine what they wish to do. The status quo prevails; look at the 1987 Act, Mr Nardella. I am happy to go on the public record to that effect.

The second nonsensical comment made by Mr Davidson was that he believed the import of the

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Bill was the subject of a plot by the Sunday newspapers to give more money to the Sunday press. We are not keen on giving the *Sunday Age* more money. His theory is far-fetched and ludicrous; I cannot believe it was even articulated in this place.

One of the spurious points made by Mr Davidson was that people would not have a choice: they would go either to the football or shopping. Many of my gender regard shopping as sport; I concede that. I am a keen Australian Rules football supporter and nothing will stop me going to the football, but I still want to shop in my own time.

Hon. T. C. Theophanous — What about the people who go to church on Sunday?

Hon. LOUISE ASHER — That is fine; it is their choice. Mr Davidson referred to groups who opposed the deregulation of shop trading hours in the City of Melbourne because they were concerned about the effect it would have on shop trading in the suburbs. Traders and businesses do not have to open if they do not wish to.

Some Chapel Street traders were rebellious years ago and fought strenuously for Saturday trading. Frank Penhalluriack has a strong record on this matter. I do not agree with breaking the law to prove a point, but it has been an ongoing issue and I am pleased that the government will deregulate shop trading hours in the City of Melbourne and the Southbank area.

Laws restricting Sunday and night trading were framed on the old-fashioned notions of society.

Hon. Licia Kokocinski interjected.

Hon. LOUISE ASHER — The existing laws were framed when many women stayed at home and were able to shop between the hours of 9 a.m. and 5 p.m.

Hon. B. W. Mier interjected.

Hon. LOUISE ASHER — I am not talking of industrial relations, but shop trading.

Hon. W. A. Landeryou — Tell us about Pat McNamara.

Hon. LOUISE ASHER — I will in due course. It is extremely difficult to shop if one works standard hours. Many single people do not have the

opportunity of shopping during the normal hours of shop trading, and many two-income families, with higher disposable incomes, want to shop at their convenience. I contend that the very group of people who have a higher disposable income are prevented from shopping by the present laws, and the deregulation of shop trading in the City of Melbourne will allow these people to spend more money, which will have the flow-on effect of providing jobs in the retail sector.

I turn now to the economic benefits flowing from the Bill. The former government would have introduced a Bill that would revitalise the City of Melbourne but the unions would not allow it, and that is the position from which they are arguing today. This Bill will benefit the City of Melbourne, and I am proud of my city and would like to see it compared with London or Paris.

Hon. B. W. Mier — Where the shops are closed.

Hon. LOUISE ASHER — They were open when I was there last. These amendments are important for the revitalisation of the city. The provisions will allow tourists to shop on Sundays or at other times, and that will also contribute to the economy.

I also comment on whether extended retail trading will improve the level of demand in the economy. Opposition members have commented on this issue during the past few days with some shrill and uninformed remarks. No definitive intellectual analysis has been made, but newspaper reports — hopefully not in the *Age* — one's personal experience and anecdotal evidence indicate that the level of demand actually increases with the extension of shop trading hours. It is my contention that some people in society, despite the recession that we had to have, have a higher disposable income, but they are not able to spend the money they would normally spend because of restrictive trading hours. They are at work when the shops are open.

Hon. B. W. Mier — Shops are open now six days a week.

Hon. LOUISE ASHER — I go to the football on Saturday. If shops are open on Sundays they would soak up that disposable income. I want retailers to have a choice, and that is what the Bill is about. If one believes the comments from the opposition there is no consumer demand for deregulation of shop trading, but I do not believe that is correct.

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The Leader of the National Party, the Honourable Pat McNamara, referred to shop trading hours in 1985, and Mr Davidson's comments reflect the currency of his thinking.

It is important to realise that the coalition is not ideological. Its members are able to change their minds. The Minister for Police and Emergency Services in another place, Mr McNamara, went to the election on this policy. People are free to change their minds on a policy issue. Our party encourages that.

This policy was announced by the shadow Minister in August 1991 and it received prominence during the election campaign. We have a mandate for this policy. Considerable economic benefit will flow on because of the changes to shop trading laws in the central business district and the Southbank area. The existing laws have been inadequate. It is important for tourism that the City of Melbourne is revitalised; shopping will play a role in that. I support the Bill.

Hon. B. W. MIER (Waverley) — I oppose the legislation. It is important that we examine the legislation because it is part of a package of legislation that has been presented to both Houses of Parliament —

Hon. M. A. Birrell — Don't get onto the noses in the trough stuff!

Hon. B. W. MIER — I am not going to do that, but I was about to say that part of the final outcome of the legislation will be the elimination of penalty rates and the introduction of casual labour at the whim of employers. This is part of a package of legislation which will mean open slather for the retail industry throughout Victoria.

The Capital City (Shop Trading) Bill is a joke. I have had some experience in this field. When I was Minister for Consumer Affairs I tried to implement the restrictions under the Shop Trading Act. I know that Mr Craige's uncle has a vested interest in this legislation.

Hon. G. R. Craige — Is he in favour of it?

Hon. B. W. MIER — No he is not.

Hon. G. R. Craige — When did you speak to him last? He didn't like it very much when you were the Minister.

Hon. B. W. MIER — I tried to help him, but he did not realise the problems confronting him. Many trade union officials do not realise the problems that they will be confronted with. This legislation is part of a package of industrial relations Bills that the government is pushing through during the next couple of weeks. This legislation will provide for deregulated trading in the central business district (CBD) and Southbank.

I believe the Bill will open the door to deregulated shop trading in Victoria. There is no way that companies like Myers, David Jones and Target, which operate across the State, will tolerate a situation when they can open their stores in the CBD but those in Southland, Northland and Chadstone are not able to open. They have never accepted that concept and they never will and Mr Birrell knows it. In response to his interjection earlier when he indicated that it was the government's intention to deregulate shop trading on Sundays year round —

Hon. M. A. Birrell — Yes, in the city.

Hon. B. W. MIER — That is what the legislation is all about, complete deregulation of shop trading hours. Honourable members know that once the CBD is deregulated there is no way that the Minister will be able to restrict trading at Southland, Northland and Chadstone in those huge shopping centres. I have tried it. I have pursued litigation against illegal traders but the Supreme Court will not act even though shopkeepers have committed a crime.

Hon. M. A. Birrell — Why are you opposing the Bill?

Hon. B. W. MIER — I oppose the Bill because it is wrong.

Hon. M. A. Birrell — The Supreme Court is wrong, is that what you are saying? Are you saying that we should lock up the consumers and that we should stop the shoppers?

Hon. B. W. MIER — I am not saying that. I will get to that point in a moment, Mr Birrell, if you will hold on. The fact is that we know once the CBD is deregulated the whole State will want to open.

Hon. G. R. Craige — It will be open for business.

Hon. B. W. MIER — If the Minister has any guts he will take the traders on but the precedents are on

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the board, as Mr Smith would say. That is the reality of the situation. Ms Asher was concerned about Southbank, but there is no need for her to be concerned when, under the Act, 95 per cent of those shops are exempt.

Hon. W. A. N. Hartigan — They are not open on Sunday are they?

Hon. B. W. MIER — They are open on Sunday because they are exempt. I do not have anything to do with the church, but the government will have to deal with the situation of the deregulation of the CBD being a catalyst for deregulated shop trading right throughout the State. There is no doubt about that. Southbank need not be concerned because 95 per cent of its shops are exempt.

The Shop Trading Act has been subject to amendment and change over the past 100 years and is in a mess. That obviously adds to the attitude of judges towards shop trading hours when the matter is brought before the courts. The government should not try to introduce such measures under the guise of tourism in the central business district (CBD) or downtown Melbourne. The government should not deceive members of this place and the public. The reality is that trading in the CBD is a myth. That myth is that people come into the city to purchase goods from retail outlets, but that is not the case. Anybody who has studied the matter knows that the only people who purchase goods in the CBD are those who are employed in the CBD.

Opening the stores in the city on a Sunday will not automatically bring into the CBD people who normally shop at Southland, Westland, Northland, Chadstone or elsewhere.

Hon. R. I. Knowles — The shops will not open, will they?

Hon. B. W. MIER — The government will not stop them from opening. If shops are open in the CBD they will certainly open in the suburbs, and the government will not stop them.

Half the buildings in Melbourne are empty and the retail trade is suffering.

To disguise such a measure under the umbrella of tourism is rubbish — tourism is not relevant. Many tourist facilities are available in the city.

Hon. M. A. Birrell — Name one.

Hon. B. W. MIER — Collins Place is open. I believe it was a former Premier, Dick Hamer, who declared it a tourist precinct. The Victoria Market is also open.

The government is not honest; it is trying to deceive the people into believing there will be limited trading in the CBD, but that is not the case. Will the Minister responsible take action —

Hon. M. A. Birrell — Who, me?

Hon. B. W. MIER — Are you responsible?

Hon. M. A. Birrell — No.

Hon. B. W. MIER — Will the Minister take action against those traders who illegally open in the suburbs? It will be a disaster to small traders and those who put their faith in the Liberal Party at the last election. Over a short period of three or four weeks it has been clearly demonstrated that the people of Victoria have been let down. The former government provided for up to 10 additional trading Sundays a year.

Hon. R. I. Knowles — You were here day after day saying you would not have a bar of it.

Hon. B. W. MIER — It was a compromise to provide some sanity in the retail industry. The government should not proceed with deregulating the retail industry. I oppose the legislation.

Hon. R. A. BEST (North Western) — I am concerned about the scaremongering on this issue. In his opening remarks Mr Mier said that the legislation should be examined for what it is worth. In doing that, one should examine the way it was developed.

Mr Davidson quoted from an article in a Benalla newspaper about comments made by the Leader of the National Party in another place regarding the National Party's attitude to shop trading and Sunday trading.

It will be beneficial to give Mr Davidson a history update. I have a letter dated 26 October 1990 from Mr McNamara to Mr Norm Quin, President of the Bendigo Chamber of Commerce and Industries, which says:

Dear Mr Quin:

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Thank you for your letter of October 25 expressing concern at media statements which you have read concerning the coalition's shop trading hours policy.

I have to inform you that the coalition has not yet finalised its policy on shop trading hours but the views I have expressed publicly have indicated no change from the National Party's previous stance on this matter.

In fact, the National Party has endorsed the existing policy whereby local councils are the conduit through which local traders, or residents, can approach the Minister for Consumer Affairs for a variance in the shop trading hours regulations to create a tourist precinct or for special occasions. In these circumstances the Minister can extend shopping hours if it is requested.

The National Party's view has been that it is the right of the local community to determine what shopping hours they require and that the government should be sensitive to such local views.

The coalition policy will be formed over a period of time and will ultimately be decided in the joint party room by a vote of all those present — both Liberals and Nationals. If the Bendigo Chamber of Commerce and Industry has very firm opinions on shop trading hours, then I suggest that you put these in a formal submission to the shadow Minister for Consumer Affairs, Mr Phil Gude, whose policy committee, comprising both Nationals and Liberals, will take note of your views. It may also be appropriate to forward copies of your submission to all conservative members of Parliament who will ultimately vote on this policy in the joint party room.

This legislation is a direct result of a process that took place during the formulation of the coalition. It was a very sensitive issue. I have always opposed Sunday trading, but this measure was developed over a considerable period, beginning in August or September 1991 when the then Minister responsible released the government's policy on the issue of Sunday trading.

The specific purpose of the Bill is to deregulate shop trading hours in part of the City of Melbourne and in the Southbank area within the City of South Melbourne. It is a prescribed area, and that was clearly stated during the policy development and before the election. We went to the election with a clear and precise policy concerning the designation of the central business district as a tourist precinct where Sunday trading could take place, and the

people chose it. It is unfair of the opposition to suggest that this is the thin end of the wedge.

I am very conscious of the impact of Sunday trading on communities but, as was stated before the election, the Bill allows people to decide whether they want to open their shops or go shopping and whether they want their local chamber of commerce to apply for Sunday trading.

Among the people in my electorate there is a vast array of views on Sunday trading. Bendigo is totally opposed to it. In 1990 I asked the Bendigo Chamber of Commerce to undertake a survey of people's views on the matter, and 98 per cent of the people surveyed said they did not want Sunday trading. However, Swan Hill has Sunday trading. The council applied to the Minister and Swan Hill was declared a tourist precinct. A choice was made. The legislation provides a choice not only to traders but also to the people who might like to shop. They will vote with their plastic cards, their cash and their feet.

The Bill sends the message that Victoria is open for business. Certainly the State needs to be revitalised. The central business district of Melbourne is experiencing difficult times and it is appropriate that the government assist in creating interest in it. Like most other capital cities, Melbourne is striving to attract international visitors. Mr Davidson said not many tourist dollars are spent here.

Hon. B. E. Davidson — I didn't say that!

Hon. R. A. BEST — A 1989 study of international visitors by the Bureau of Tourism Research shows that the Japanese spend more money shopping than any other nationality. The hotel industry and the businesses that run the various tourist attractions try very hard to bring people to Melbourne in the hope that they will spend their money in our city. By opening up the CBD for Sunday trading we enhance our opportunity of not only revitalising the area but also getting the tourist dollars.

We need to restore confidence in Victoria. One of the greatest legacies of the previous 10 years of Labor government is the blow to our confidence caused by its mismanagement. Victoria has been knocked for six. It has hit rock bottom and if we can do something for the tourist industry by adopting a more liberal approach to the CBD, it must be done. The government must allow the people to exercise their choice. The government should not be standing there with a big stick; it should be prepared to listen to all sides, all industries and all bodies and do what

they want. The mechanism is there for businesses and traders to apply to the Minister through their local councils to have particular areas designated tourist precincts.

The prescribed area of the CBD is vital to Victoria's economy. This State is the basket case, the laughing-stock, of Australian politics. Confidence was eroded by the previous government's policies, which caused the predicament Victoria is in. Nothing the opposition can do or say will change the fact of Victoria's position in the Australian economy.

It gives me great pleasure to support the Bill and to be assured by the Minister that as a result of declaring the CBD a tourist precinct Sunday trading will be extended throughout Victoria. It is then incumbent upon representatives of individual areas to apply for Sunday trading in their areas. Local communities will be able to state their choice. I have gone on record as saying I am against Sunday trading because it inhibits the social activities of many people and their families, but the CBD needs an injection of confidence and activity. By undertaking this process, which follows an expensive consultative period that started well before 1990, the government has set the agenda. On 3 October the people gave the Liberal Party the mandate to do it. They knew the coalition planned to designate the CBD a tourist attraction and I am sure the Bill will send the message that Victoria is not only open for business but prepared to take the initiative in examining positive and pro-active ways of getting Victoria's economy going.

Like all honourable members I have received many letters of concern about Sunday trading, but it is unfair of the opposition to use scare tactics when this policy was known for many years. We have been honest about it. We have acted upon the wishes of the electorate; by voting the way they did on 3 October the people gave the coalition the mandate to create a tourist precinct in the CBD. I support the legislation, which shows that Victoria is open for business and that the government is prepared to be an activist in facilitating the people's choices.

Hon. D. A. NARDELLA (Melbourne North) — The Capital City (Shop Trading) Bill deregulates shop trading hours except on Christmas Day, Good Friday and before 1 p.m. on Anzac Day. It opens up the City of Melbourne and the Southbank area for trading at all other times of the year. The current law was negotiated in 1991 and takes into account all the

factors surrounding shopping hours. At this time no further changes are needed to the Shop Trading Act.

I shall comment on three matters. The first is the effect of the measure on shop assistants. On a personal note, my family has worked primarily in the retail industry. Currently my stepson has to work on Saturdays and has no choice about that.

Hon. M. A. Birrell — That was under Labor governments?

Hon. D. A. NARDELLA — Yes.

Hon. W. A. N. Hartigan — And 10 Sundays a year.

Hon. D. A. NARDELLA — Yes, and there is no choice about it. Currently people's family lives are disrupted. The normal Australian way of living, that is that you basically have weekends off, will be further disrupted by the passage of the Bill. There can be no doubt about that, certainly for my stepson.

Hon. Bill Forwood — But he has a job!

Hon. D. A. NARDELLA — Yes, but that does not help his family situation on weekends.

Hon. Bill Forwood — There are 280 000 out there who do not have a job!

Hon. D. A. NARDELLA — Yes, there are 280 000 people who are out of work. Perhaps they should all work on weekends? I am not suggesting that they should not have jobs; I suggest that shop trading hours should be regulated to allow for normal family occasions and for ordinary family life.

The position negotiated in 1991 allows for trading days on ten Sundays a year, and represents a fair compromise with which the Victorian community can live comfortably.

The second matter I raise is that people in small business will not benefit from the provisions of the Bill. The Liberal Party is supposed to be the party for small business.

Hon. Bill Forwood — And choice.

Hon. D. A. NARDELLA — And choice, as members of the Liberal Party keep saying. However, people in small business do not want the change proposed by the Bill. I suggest that the government

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speaks to Mr Christakakis of the Combined Retailers Association of Victoria.

Hon. M. A. Birrell — I spoke to him this morning.

Hon. D. A. NARDELLA — Yes, Mr Birrell may have spoken to him this morning; I believe he was in Parliament House. People in small business are against the Bill primarily because there is no advantage for them in opening on Sundays. On a recent Sunday one of the large shopping centres near me was open.

Hon. Louise Asher — Last Sunday I bought a stack of stuff, all from small business!

Hon. D. A. NARDELLA — I went to one of the large shopping centres near me and found that the only place that was getting any business was the K Mart store. I felt sorry for a man in the bookshop in the same complex who was there on his own. He came up to me and said sheepishly, "Do you want a hand?" and I said, "I am only looking". I was the only customer in the bookshop for half an hour or three-quarters of an hour. Sunday trading is a disaster for small business operators.

Earlier I said to Ms Asher that the Bill represents the thin end of the wedge. I said also that in 18 months there will be open slather on trading hours throughout Victoria. The reason is that there is no choice in such matters. There will be pressure on other shopping complexes in the suburbs to open. In the area where I live shopping complexes are located in Broadmeadows and Fawkner, with other shopping areas in the vicinity. All the business operators will want to open their shops on Sundays because they will be forced to do so in an attempt to compete with the larger shopping complexes and stores. As I said, the Bill represents the thin end of the wedge.

A suggestion was made that the level of demand will increase with extended shop trading hours. On a basic level, such a claim depends on a number of aspects, including confidence and disposable income. Extending shop trading hours and providing a greater choice of shopping times has nothing to do with whether demand will increase. If people do not have disposable incomes they cannot go out and spend, no matter how many hours are available during which to shop.

Honourable members must bear in mind that currently shops can be open non-stop on six days a

week, but business operators do not elect to open their shops during all those hours.

Christmas is coming up, and the removal of the annual leave loading from the salaries of what will be former State award employees will result in \$282 million not being available for retail or tourist sector businesses. A significant impact will be felt by people in the retail industry and increasing shopping hours will not help them.

Hon. G. B. ASHMAN (Boronia) — The Capital City (Shop Trading) Bill delivers an election promise that has been on the record for at least 18 months. It has been long accepted —

Hon. B. E. Davidson — Not by me!

Hon. G. B. ASHMAN — It has been long accepted that trading in the central business district (CBD) of Melbourne needed to be deregulated. For the past 10 to 15 years a requirement has existed for trading hours in Melbourne to be extended. It has been supported by members of the tourist industry, by all the major retailers and, interestingly, a significant number of small retailers in the CBD.

In the past 20 years the central business district of Melbourne has lost marketing opportunities and experienced a reduction in sales because business has moved to the suburbs. It has also lost significant sales volume from tourists, who visit Melbourne for two or three days over the weekend but are not able to shop in the city. A number of major tour groups visit Melbourne on weekends and if shops were open on Sunday those tourists would be spending money in the city.

Melbourne should cater not only for international tourists but also for interstate tourists.

The DEPUTY PRESIDENT — Order! The loud conversation in the Chamber is making it most difficult for me and the *Hansard* reporter to hear the member.

Although there has been a rumour of a bomb scare in the building the debate will continue at this stage; things are quite safe.

Hon. G. B. ASHMAN — If I hear a loud noise I'll duck!

Melbourne retailers have lost many substantial marketing opportunities with six-day trading. The CBD needs seven-day trading to survive and to

make Melbourne a great city once again. International visitors say that Melbourne has some of the best retail centres in the world and if we do not adopt seven-day trading Melbourne will lose its greatest asset.

We should not ignore intrastate tourism to Melbourne, people from Bendigo, Ballarat and other country centres. They value the shopping experience in Melbourne as much as our interstate and international visitors do. It has been argued that seven-day trading in the CBD would disadvantage country centres, but what is not recognised is that significant numbers of Melburnians travel to country centres and that creates a two-way trade in retail activity.

In his contribution, Mr Best said that a large number of regional centres trade for seven days a week under the provisions relating to tourist precincts, and that will continue. The decision to continue that should be made by the local chambers of commerce, retailers, municipalities and residents.

Melbourne can gain significant economic benefits from seven-day trading and it will result in an increasing turnover for retailers which will flow through to suppliers and manufacturers and will create jobs in the manufacturing and retailing sectors. Retailers will be able to compete for discretionary disposable income.

Not all purchases are necessities. People have a choice in the way certain parts of their income are disposed of. They may choose to spend their money at the football, the basketball, the races or the TAB, or they may choose to purchase another jumper, a shirt or a video. A number of those purchases are discretionary purchases. This Bill will provide the opportunity for retailers to capture additional dollars. Surely that is what we should be on about. People should have freedom of choice and the freedom to spend their money when and how they want to.

Melbourne will benefit substantially by opening up trade seven days a week. In the past 20 to 25 years we have witnessed a decline in the quality of retailing in Melbourne. Much of the retailing has moved to the suburbs because that was where the market was, but there is now clearly an opportunity for the CBD to capture the tourist market, a market that is not available to the suburban retailers.

Something in the order of 6000 tourists visit Melbourne every night. That means that from 5

o'clock on a Saturday Melbourne is saying to 6000 people that it does not want them to spend money in the city. By opening up trade on a Sunday we will provide an opportunity for those people to spend their money in the city. There is no question that people will shop on Sunday. Tourists spend money in every city.

Shopping adds a vibrancy to the city and we must be on about creating a city that is attractive to people. Melbourne has a reputation for providing high-quality retailing; and if the word is out that seven-day trading is available, surely that will attract more people to the city.

People are attracted to the arts centres in Melbourne. One need only consider the recent Melbourne International Festival and the opening of Southbank. Anyone who visited the opening of Southbank on its first weekend could not help but be amazed at the number of people who were attracted to the river bank. The level of retail activity was also interesting. The food stores there do particularly well, as do the clothing stores. Many facilities are available in that complex; and if there were seven-day trading a wider range of products could be made available at Southbank.

Tourists also visit the Victoria Market. People can purchase almost anything at that market on a Sunday. That clearly shows the demand for retail activities on Sundays.

The extension of trading hours within the central business district is only part of the package that the coalition government has introduced to breathe life back into the city, life that is so desperately needed.

Melbourne is recognised as Australia's convention capital. In May next year a Rotary International conference will be held in Melbourne, the second time such a conference has been held in Australia. The first conference was held in Sydney approximately 25 years ago, and this large conference will attract up to 25 000 delegates. It would be crazy for anyone to suggest that we should not be prepared to open our retail stores when a conference of that size is in town.

Melbourne attracts a large number of conferences each year, although they do not all attract 25 000 delegates. Each year a large percentage of our hotel rooms are taken by visitors to conventions, and it is recognised that people attending conventions are good spenders.

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Broad consultation has taken place on trading hours. The coalition has met with groups opposed to an extension but, on balance, the vast majority of groups consulted by the coalition was firmly in favour of extending trading hours.

The most significant group that supports extended trading hours is the Melbourne City Chamber of Commerce. That body is extremely relevant to the City of Melbourne, which has been a long-term supporter of seven-day trading in the CBD. The Chamber of Commerce and Industry and the Retail Traders Association of Victoria are also strong supporters of seven-day trading. The larger employer organisations in the State also support the extension of retail trading in Victoria.

The Bill provides freedom of choice for shoppers and retailers. There is no compulsion for retailers to open. Retailers are free to choose the times they wish to open to maximise returns to their businesses. Some retailers will close on Mondays whereas others will trade seven days a week.

The trading hours policy has been on the table for 18 months. As I said earlier, in August 1991 one learned gentleman put to a meeting of the Building Owners and Managers Association a proposition that trading hours be extended. In his speech to that group he said:

Legal and political reforms are needed to help the urban revitalisation process. It is ridiculous that certain legitimate activities are actually banned in our capital — such as retail trading on Sundays.

As part of the coalition's commitment to deregulation we will, in our first week in government legalise seven-day trading for the CBD, including Southbank.

That is quite clearly on the record. The speech continues:

Forget the half-baked deals with the union bosses that will give consumers the right to shop on up to 10 Sundays a year; let's instead say "Melbourne is open for business".

The government is determined that Melbourne and Victoria will be open for business. It continues:

Our capital city will be a much livelier and more active place when this occurs. Indeed, such a reform is essential if other changes are to work. Just imagine how absurd it would be if the Swanston Walk proceeds, with pedestrians able to amble along this new

promenade on a Sunday past all of Joan Kirner's closed shops!

Swanston Walk has now been completed.

Hon. D. A. Nardella — Another one of our achievements!

Hon. G. B. ASHMAN — Time will tell whether that is an achievement. When I visited Swanston Walk three weeks ago I could have fired a cannon down the footpath. However, given time, it may be that retail activity in Swanston Walk can be revitalised. Perhaps we can get retailers back into that section of town. It certainly has not been an attractive retail area and until the completion of the walk it was at best a third-rate shopping strip.

If one were presenting Swanston Walk to international visitors one would not want to take them past some of the X-rated theatres or other retail activities. Given time we should see a turnover in the retailers operating there and the return of quality shops.

In recent months an improvement has been evident in the quality of retailing in the section of the walk between Collins and Bourke streets and a regeneration of the section to Flinders Street has begun. However, to the north it is obvious that a great deal of work still needs to be done. Swanston Walk will not work until quality retailers are operating along it. The focus of Melbourne retailing is clearly still on the Bourke Street Mall.

Mr Mier's contribution was interesting. He was one of the Ministers who supported the former government's 10-Sundays trading policy, and his performance was that of a man who had been rolled in caucus.

The extension of trading in the CBD will clearly be of benefit to both large and small retailers. Something that is not recognised by many opponents of the proposal to extend the trading hours in the CBD is that the small retailers rely heavily on the large retailers for their business. There is a spin-off. When Myer, David Jones, Georges and other large retailers advertise, there are significant improvements in the turnovers of the small business owners.

As Mr Davidson said, the large retailers also advertise in the *Herald-Sun*. They advertise in the newspapers with a mass circulation and high readership. That advertising will attract custom to

the city and the small retailers will get the spin-off from that additional retail activity in the CBD.

I have a great deal of pleasure in supporting the legislation to extend the retail trading hours in the central business district and look forward to the success of its retailers.

Hon. D. R. WHITE (Doutta Galla) — Our experience shows that it is by no means certain that extended trading hours on a Sunday in the central business district (CBD) will work. We believe the extended trading hours on Southbank will attract a great deal of interest because the scale and nature of the businesses there are relatively small. There will be a degree of enthusiasm and interest among the local population of Southbank as well as from tourists visiting the area, particularly those visiting the pedestrian promenade. Therefore the extension of hours is likely to be successful in that precinct.

In the CBD at the moment there is Sunday trading on certain days of the year but it is not proving to be successful on a majority of those days. Under the current arrangements for Sunday trading one would expect there to be some successful days. If Sunday trading is extended in the CBD to every Sunday through the year, it is unlikely in our view to be a success, particularly because at the weekend the city does not have the basic traffic generated by the people employed in offices and commuters.

It is also true that there has been a continual erosion in the amount of retail activity in the CBD, from 15 per cent after the second world war to between 6 and 9 per cent today, depending on the impact Daimaru makes. A substantial change is certainly occurring not only in geographic retail shopping patterns and demographic patterns but also, as major retailers would agree, in personal shopping habits. The demographic distribution in major cities such as Melbourne can be said to have a doughnut effect — the population increasingly lives in the outer suburbs, with the younger population increasingly shopping in regional shopping centres and rarely, if ever apart from when major sporting events take place in Melbourne, visiting the CBD.

It is not likely that a change in the legislation will mean a change in the shopping base of the CBD. The impact of the legislation will undeniably be to put pressure on major regional shopping centres to seek extended shop trading hours in their areas. The advice we received on the change in shopping patterns was given to us by major retailers.

Information we have received shows that purchasing decisions, whether on small items such as costume jewellery, or on major white goods purchases, are increasingly being made on a joint basis — that is, by more than one person. That does not apply just to families but to all age groups and all types of relationships in the community. Polling information on shopping trends suggests that, whether the item is a male shoe or shirt, or the female equivalent, costume jewellery or even children's clothes or shoes, joint decisions are increasingly being made.

That is putting pressure on buyers who choose the goods to be sold by the retailer, who in turn are being told that the reason for the joint decision making is that people are making more considered decisions whether buying small or large items. Customers are spending an inordinate amount of time making sure that they get value for money. It is not just a product of the recession, but also a product of the purchasing trends.

Even a person entering a Target store today will spend time looking at a product, whether made in Australia or overseas, to make sure that he or she is making a considered purchasing decision. That is a trend in all age groups. As a consequence of that, retail buyers are putting pressure on the suppliers to get value-for-money products; and that pressure is, in turn, unfortunately being exerted on the local, Australian-made manufacturer, who is increasingly unable to meet the requirements of the supplier to the major retail buyers.

Within that setting, people are increasingly making joint purchasing decisions outside peak shopping hours; they are making choices to shop at hours that one would not customarily associate with shopping, both at night and on the weekends.

So the inevitable pressure that will build up as a consequence of the extension of shop trading hours in the CBD on Sundays beyond those that are currently available will be for regional shopping centres, in order to maintain and improve their share of the market and recognising the patterns of customer purchasing behaviour, to put pressure on the government to change shop trading hours in regional centres. As a consequence of that, the benefit the government is seeking in the CBD will not necessarily be gained.

Opening the door in the CBD will not produce the result the government wants, because for demographic reasons people will not come into the

CBD to purchase goods. Increasingly, they will demand access to their regional shopping centres, which is a completely different policy issue from the one the government has in mind. The government's view is that simply by pulling the trigger it will create a demand that is not there. It believes there is a need to do this because otherwise Melbourne will not be seen to be as competitive as other major tourist destinations.

My response to that is to say that the tourist activities and shopping facilities needed are not those that require the whole of the CBD to be open. Tourist precincts are currently available, and certainly the notion of Southbank being an effective tourist precinct is worthy of consideration, but I do not believe that applies to the whole of the CBD unless shops also have access to the 300 000 or so people who commute to Melbourne every day.

While the government has the good intention of revitalising the city, the factors that are driving consumer demand and practice are not related to what the Bill is doing — not related at all. The demands being made by the chief executives of major retail stores is for the stores to maintain their share of the market, but that is not related to this issue at all.

We have been subjected to no substantial pressure for the extension of Sunday trading in the CBD. We know that what will inevitably occur is that there will be substantial pressure on regional shopping centres for extended shop trading hours beyond the 10 Sundays currently being provided, which would then produce a major social question for both the government and the opposition: what is to be the future of ribbon shopping centres and small businesses that are not associated with regional shopping centres?

There is also the question of what will happen to provincial and ribbon shopping centres and those centres outside the metropolitan fringe. Those issues have not been adequately addressed. The notion that one can simply continue to extend tourist precincts at the request of local government, as happened in Swan Hill, has nothing to do with prevailing market forces in the retail sector today.

Major investment decisions are being put on the table; the Coles Myer Ltd Eastland proposal and the proposals of the Gandel Group Pty Ltd for further expansion at Chadstone and some of its other facilities are examples of the pressures that are building in the retail sector.

The opposition does not see the proposal as a considered retail policy. Moreover, it will deliver a different response from the one the government has in mind. There is no analysis of the trends in retail shopping and the support that should be given to small business in ribbon shopping centres.

During the 1980s there was pressure to allow extended shop trading hours for businesses such as those in Chapel Street to enable them to have a short-term advantage on a Saturday afternoon. Having that advantage in the short term did not resolve the problem.

We are moving inexorably to a circumstance where the only businesses with viable futures will be those of tenants in major retail centres where the owners of the centres are few in number. I am not certain whether that is the most desirable trend for the community, but it is certainly the trend emerging partly in response to market demand and partly in response to the competitive advantages of retail stores.

A case can be made for continuing to promote small businesses in ribbon shopping centres and not allowing society to be solely dependent on major retail shopping centres. There is a case for ensuring that businesses outside retail centres are given support. None of that is considered comprehensively in the Bill.

The provisions of the Bill may work well in the Southbank area, and the opposition is pleased that the project is proving to be an outstanding success, particularly along the pedestrian promenade. However, the same success will not be enjoyed in the central business district.

The Daimaru retail store is an important investment, and I hope it will continue to receive support. I hope also that Swanston Walk becomes a successful precinct. However, the extension of Sunday trading to the central business district will certainly not work on every Sunday throughout the year. It is unlikely to work on most Sundays and it is likely to trigger a dislocating effect on retailing throughout metropolitan and country Victoria. For those reasons the opposition opposes the Bill.

Hon. BILL FORWOOD (Templestowe) — I shall make some brief comments on the Bill. Mr White has suggested that it is by no means certain that extended shop trading hours in the central business district will succeed. That is no reason not to try the idea. Obviously, nothing in this world is certain

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except death and taxes. Members of the former government know all about the tax side, and death will come later, I am sure.

Members of the government have an overwhelming desire to revitalise the State. On 3 October it was felt that the process had started, and the events in the past couple of weeks in this House and the other place are a continuation of that process.

An integral part of the plan to revitalise Victoria is to get the city moving again, and part of that is to open it up for business. The coalition is trying to get that going. A number of obstacles stand in the way of progress across the State, and one is the heavy hand of government getting in the way of business. If Mr White is right about extended shop trading hours not working in the central business district, the market will decide. Neither the government nor the opposition needs to make that decision.

Hon. Licia Kokocinski — Free-market philosophies work on a number of assumptions, and you know that as well as I do.

Hon. BILL FORWOOD — It is all right for the socialists up the back, but it is critical that the government meet the expectations of Victorians that the State is once again open for business. They do not want to hear more negative carping from the opposition. They want action, and the Bills introduced by the government send the message to Victorians that the State is open for business.

Entrepreneurs and the ordinary people the opposition says no longer want to go to the city will be drawn back to the central business district because there will be action. People will visit Southbank and they will go to Swanston Walk. Some of them may even go to church! They will come into the city on a Sunday to enjoy the activities. I trust that the loop will be open —

Hon. B. E. Davidson — What about the loops on the bench with you?

Hon. BILL FORWOOD — I am talking about the one underneath the ground and not those on top. Victoria must get out of the recession. Everyone knows that this is the recession we had to have, but it will not last forever. The State must position itself to take advantage of increasing growth. Australia is operating on 2.5 to 3 per cent growth —

Hon. D. A. Nardella — Your own Budget says it will not grow.

Hon. BILL FORWOOD — The government will get the engine going again; it will stoke the fire and make it easy for entrepreneurs to have a go. The government is going to try. After 10 years of the Labor Party in office the State had stopped dead in its tracks. All that members of the former government could do was think about how much longer it would be before they would have to count the number of seats they lost. It is a matter of attitude; it is a case of saying, "Let's have a go, let's get together and be positive".

Hon. D. A. Nardella — Say that to the 7000 you are going to sack.

Hon. BILL FORWOOD — That is the third time today that we have heard from Mr Nardella about the 7000. The former government tried to cut jobs, but it was the captive of the guys in Lygon Street.

Once upon a time, long before the high-rise flats were built, three fine buildings dominated the Melbourne skyline — Parliament House, the Supreme Court and the Trades Hall Council. One of those buildings has decayed — the one in Lygon Street! It is falling down because the people who work in it have fallen down.

Hon. B. W. Mier — No wonder you are sitting between Craige and Smith!

Hon. BILL FORWOOD — I'll learn from anyone — even from you, Mr Mier.

The important issue is how to make the State work again and how to encourage people to come back to shop and live in the City of Melbourne.

Every day the demographic centre of the State is shifting further towards Pakenham. As the Leader of the Opposition said, people in the outlying suburbs rarely visit the city — but they should. Melbourne is a great place, and the government is starting to make things happen.

Honourable members should be selling the advantages of the city to their electors. Although every effort is being made to attract tourists to Melbourne, we should be trying as hard as we can to encourage the locals to enjoy the delights of Melbourne. There are many things to do in the city. People could even visit the zoo —

Hon. B. E. Davidson — And visit your relatives?

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Hon. BILL FORWOOD — Not mine, yours — the ones behind bars. The government is sounding a clear message — despite the mirth of members opposite. The Bill is important because it is part of a government program designed to restart the State, and for that reason alone it is worthy of support.

Motion agreed to.

Third reading

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — By leave, I move:

That this Bill be now read a third time.

House divided on motion:

Ayes, 26

Asher, Ms	Evans, Mr
Ashman, Mr	Forwood, Mr
Atkinson, Mr	Guest, Mr
Baxter, Mr	Hall, Mr
Best, Mr (<i>Teller</i>)	Hallam, Mr
Birrell, Mr	Hartigan, Mr
Bishop, Mr	Knowles, Mr
Bowden, Mr	Skeggs, Mr (<i>Teller</i>)
Brideson, Mr	Stoney, Mr
Connard, Mr	Storey, Mr
Craige, Mr	Strong, Mr
Davis, Mr	Varty, Mrs
de Fegely, Mr	Wilding, Mrs

Noes, 11

Davidson, Mr	Nardella, Mr
Hogg, Mrs	Power, Mr (<i>Teller</i>)
Ives, Mr	Pullen, Mr
Kokocinski, Ms	Theophanous, Mr (<i>Teller</i>)
McLean, Mrs	Walpole, Mr
Mier, Mr	

Pairs

Mr Cox	Mr White
Mr Smith	Mr Landeryou
Mr Wells	Mr Henshaw

Motion agreed to.

Read third time.

EMPLOYEE RELATIONS BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

ADJOURNMENT

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

That the Council, at its rising, adjourn until tomorrow, at 11 a.m.

Motion agreed to.

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

That the House do now adjourn.

Australian-American agricultural trade

Hon. B. W. MIER (Waverley) — I direct the attention of the Minister for Roads and Ports, who is the representative in this House of the Minister for Agriculture, to the sweeping victory of the Democrats in the United States of America and the forthcoming election of Governor Bill Clinton to the presidency. Does the Minister for Agriculture intend to discuss with the Federal Minister responsible for agriculture the potential damage that could occur as a result of bans imposed by President Bush on intercontinental relationships and the possibility of an intercontinental trade war between the European Community and the United States which could have dramatic effects on both the Australian economy and Victorian farmers?

Tourism promotional signs

Hon. B. N. ATKINSON (Koonung) — I raise for the attention of the Minister for Roads and Ports the need for signs promoting points of interest in country Victoria and particularly the review of restrictions imposed by VIC ROADS on signs on rural highways. I have with me a report of the Latrobe Regional Commission which has a photograph of a promotional sign that is being used by the City of Moe. The sign is an example of what I am asking the Minister to consider. I am not requesting a proliferation of giant billboards promoting businesses in country towns but signs can be erected by towns to promote local points of interest, local landmarks and attractions, and the promotion of certain events. The review of the restrictions on signs would be of interest to local tourism. The signs could encourage people to stop at

various places and have some road safety advantages.

Western Metropolitan College of TAFE

Hon. LICIA KOKOCINSKI (Melbourne West) — I raise for the attention of the Minister for Tertiary Education and Training the Footscray campus of the Western Metropolitan College of TAFE. My attempts to obtain information from the Minister's office have been fruitless. I have been unable to obtain any response —

Hon. M. A. Birrell — If Haddon is not there, it is shut!

Hon. LICIA KOKOCINSKI — That says a lot about the future of his portfolio. The Footscray campus of the TAFE college has run a successful program called 18-plus, which is an incentive training program for people with intellectual disabilities. I have been advised by a parent of one of the students that the college has refused an intake for next year. All my attempts to discover the facts have failed. My staff and the staff of another electorate office have not received any response from the Minister's office. I ask the Minister to examine this important program and to provide a response to me.

Melba Highway

Hon. E. G. STONEY (Central Highlands) — I direct to the attention of the Minister for Roads and Ports the dangerous state of the Melba Highway, especially the 63-kilometre section of road from Coldstream to Yea. The Melba Highway services the area to the east of Melbourne, Gippsland, the north-east snowfields, Lake Eildon and interstate traffic along the Hume and Newell highways to Queensland.

Apart from the overload of the highway and its bad design there is a deadly mix of traffic, including slow caravans, slow cars towing boats, slow local traffic, including tractors and mobs of sheep, and sometimes cattle, and faster interstate trucks and travellers. The deadly mix of slow and fast traffic is of concern to the people who use the highway. The locals regard it as death-on-wheels and those living north of Yea avoid using it at all costs.

The police also have grave concerns about the Melba Highway. They point to the lack of passing lanes in some areas and the poor design of passing lanes in others that finish on the tops of hills or before

narrow bridges, one of which is only two years old. The highway has poor design problems and is often slippery when wet. It is too narrow for the large amount of traffic. A significant portion of the road is through the Great Dividing Range. The locals have expressed concern about the possibility of accidents between buses and semi-trailers on the narrow road sections or close to the hills in the middle of winter.

I am well aware that the government is short of funds, but I ask the Minister to ensure that priority is given to the upgrading of the Melba Highway because of its effects on tourism and on the safety of those who use it.

WorkCare

Hon. R. S. IVES (Eumemmerring) — I raise a matter for the attention of the Minister responsible for WorkCare. Mr Andrew McLean and his wife, Carol, together with their four children live at 8 Garryowen Crescent, Narre Warren. Mr McLean was originally employed as a storeperson at the Nissan Australia motor company. However, back problems sustained at work have resulted in Mr McLean moving between WorkCare payments and various light duties over the past three years. Mr McLean was made redundant from Nissan in July and has sought a redemption of his WorkCare payments to a lump sum. Currently he is receiving 60 per cent of his previous weekly wage.

Recent speculation concerning proposed changes to the WorkCare legislation, particularly those provisions governing lump sum payments, have made Mr McLean apprehensive about his and his family's future. I ask the Minister what options are now open to Mr McLean to protect his rights and the future of his family.

Dumbalk Primary School

Hon. P. R. DAVIS (Gippsland) — I direct a matter to the attention of the Minister for Tertiary Education and Training as the representative of the Minister for Education in this place. The Dumbalk Primary School has a progressive community with growing enrolments. It is clearly a viable school of the future with enrolments of between 70 and 80 for 1993.

In the past 10 years it has, at its own expense and using its own labour, constructed a \$60 000 multipurpose complex and completed extensive landscaping to create an excellent environment. Unfortunately nestled within that environment is

the main school structure which is in need of preventative maintenance. The Department of Education has not contributed to the maintenance of this main building or the school's playing surfaces for more than 10 years and the community is exhausted by its extensive fundraising and labour. Works for significant maintenance were scheduled for December and January. However, as a result of the freeze on maintenance because of a lack of funds — something we have heard a lot about in this House as being due to the mismanagement of the previous government — the school community would like some understanding of when this maintenance program may be restored.

Rapid transit link

Hon. D. T. WALPOLE (Melbourne) — I raise with the Minister for Major Projects the rapid transit link. I understand there are four proposals for this project, the first of which is the Oban system similar to that set up in Adelaide. That would run on the Tullamarine Freeway. Then there are two proposals to use existing rail lines, one being the Upfield line and the other the line that goes to St Albans. Both those lines would need to be extended to service the airport. The fourth proposal is a magnetic levitation vehicle driven by linear motors.

Those projects would all have substantial impact on the people living in the areas through which they run. I understand there is a further proposal from a number of bus operators to run buses up the Tullamarine Freeway in the emergency lane and to use the tram lines during peak periods. Is the Minister aware of that proposal? It would seem to be a more cost-effective proposal than any of the other four. If the Minister is not aware of that proposal will he find out and report back as to whether it is a goer? Additionally will he please inform the people of my province whether there will be proper community consultation about any of these projects and by what means people can have an input into the impact the proposals may have on their lives.

Coliban Regional Water Authority

Hon. R. A. BEST (North Western) — I direct to the attention of the Minister for Conservation and Environment as the representative of the Minister for Natural Resources the Coliban Regional Water Authority. On 30 October I discussed with members of the authority the specific issue of unfunded liabilities of the former Rural Water Commission employees. The estimated unfunded liability is in the vicinity of \$23 million to \$30 million for

superannuation and approximately \$1.4 million for long service leave.

I should appreciate the Minister's view on government guarantees of accepting the superannuation liabilities. If that burden were placed on the Coliban Regional Water Authority it would impact severely on the charges it would then have to pass on to consumers within the Coliban water district.

Development of rural Victoria

Hon. PAT POWER (Jika Jika) — I direct my query to the Minister for Regional Development. On 27 October he told the House that he would play a major role in the development of rural Victoria, in particular that he would be responsible for direct financial incentives to attract and develop industries in rural and provincial communities and for the location of government services. Expanding on this the Minister also emphasised that he would play the important role of advocate when big decisions were to be made and would issue a prospectus on matters relating to rural and provincial communities.

I said at the time that I welcomed that commitment. I ask the Minister to advise the House of his role in the relocation of the Department of Agriculture to Bendigo.

Mobil oil refinery

Hon. JEAN McLEAN (Melbourne West) — I raise a matter with the Minister for Regional Development as the representative of the Minister for Industry Services in this place. The Metropolitan Fire Brigade and the Occupational Health and Safety Authority have expressed their concern about fire safety at the Mobil oil refinery. Although they found 400 faults at the refinery people living in areas around the refinery and workers at the refinery have shown their concern that when they asked Mobil when these faults were to be rectified they were told that Mobil has one year within which to rectify the problems including fire safety and if it has not been done within that year it can get extra time.

Last night there was a large petrol leak into drains into Millers Road. It was reported on the air this morning although I could not find it in any of the newspapers. The fire brigade was called.

One wonders whether the refinery has yet acquired the equipment necessary to protect people in that area. I ask the Minister whether Mobil will be

encouraged or forced to put in place its fire protection equipment within the time required rather than apply for an extension. People living and working in the west have already experienced the Coode Island disaster and they are wary of having to continue to put up with a lack of fire safety at that huge oil refinery.

Justices of the peace

Hon. D. A. NARDELLA (Melbourne North) — I raise a matter with the Minister for Tertiary Education and Training as the representative of the Attorney-General. A number of people wishing to become justices of the peace have applications currently in the pipeline.

Hon. M. A. Birrell — Your party wanted to get rid of them.

Hon. D. A. NARDELLA — My information is that the applications of the people are not being processed.

Hon. R. M. Hallam — Do you want to withdraw now or hear the answer?

Hon. D. A. NARDELLA — My electorate officer has applied to become a justice of the peace mainly to service my constituents who ask for assistance in completing forms and official documents that must be witnessed by a justice of the peace.

Hon. K. M. Smith — If you spent some time in your electorate office you could sign some of those forms.

Hon. D. A. NARDELLA — Thank you, Mr Smith, for that information.

Will the Minister investigate to ascertain the progress on those applications?

WorkCare

Hon. T. C. THEOPHANOUS (Jika Jika) — I raise a matter for the attention of the Minister for WorkCover-up!

Honourable members interjecting.

Hon. R. I. Knowles — He is devastated, he will never be able to answer it.

Hon. T. C. THEOPHANOUS — Yesterday the Minister was asked a question about workers and

about offers being withdrawn by claims agents or solicitors acting on behalf of the Accident Compensation Commission (ACC).

In response, the Minister supplied me with a letter from Andrew Lindberg of the ACC which states that all formal offers of compromise made by the commission will remain open in accordance with the County Court rules; if the offers are accepted, the commission will proceed to settlement. Further, the letter states that common-law matters are continuing to be settled in accordance with the procedures outlined therein.

I have 17 letters, 12 of which relate to specific cases drawn to my attention, and I will make them available to the Minister for further action.

Hon. R. M. Hallam — There is no such Minister!

Hon. T. C. THEOPHANOUS — The Minister responsible for WorkCare — you are a Minister, Mr Hallam.

Hon. R. M. Hallam — I am not the Minister responsible for WorkCover-up.

Hon. T. C. THEOPHANOUS — As I have said, 12 of the letters relate to specific offers that have been withdrawn. One letter, dealing with a Mr Hall, states that the offer of \$4000 plus costs to the defendant had been withdrawn. Another letter relates to a Mr Rowe, and states that the outstanding offer had been withdrawn. A third letter advises that previous offers under common-law provisions for a \$9000 settlement, plus costs, had been withdrawn.

Also, some of the solicitors acting on behalf of the ACC have not been prepared even to target individual cases but have decided it is easier to adopt a blanket approach. In five such cases, letters from Coltmans, solicitors, to Slater and Gordon, solicitors — —

Hon. K. M. Smith — Slater and Gordon — surprise, surprise!

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — It may be a joke to some honourable members, but I am talking about real people who have had offers withdrawn. They have been waiting for up to two years.

Hon. M. A. Birrell — Make your point.

Hon. T. C. THEOPHANOUS — If you do not interrupt, Mr Birrell, I will make my point.

These letters advise that all offers of settlement made by that firm of solicitors in relation to WorkCare common-law claims had been withdrawn. I shall make the five letters available to the Minister. It is clear from those letters — —

The PRESIDENT — Order! I think the honourable member is starting to develop a debate. He has put the question to the Minister. I call Mr Pullen.

Use of lead shot for duck hunting

Hon. B. T. PULLEN (Melbourne) — The matter I raise is for the attention of the Minister for Conservation and Environment and relates to the phasing out of lead shot for duck hunting in favour of alternatives such as steel shot.

The Minister will be aware that environmentally lead is a very toxic substance. It is clear that lead accumulates in sediments of lakes and can be ingested by water birds such as ducks; it can result in them becoming ill or dying. This matter has been thoroughly investigated in the United States of America with the result that in that country, despite the very strong interest lobbies on behalf of duck hunters, on environmental grounds that government has changed the law so that only steel shot is to be used for duck hunting.

The Minister for Conservation and Environment will be aware that in 1990 his department conducted a survey which showed that the levels of lead in ducks during the duck shooting season were elevated, and that lead was found to be present in the gizzards of a number of birds.

What steps has the Minister taken to address the issue of lead shot in the environment? Is he prepared to proceed with the process to phase out lead shot and replace it with steel shot; and, if so, what is the timetable?

Responses

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — Mr Walpole referred to the rapid transit link. I welcome the matters he has put and the broad views he outlined. He is correct; the previous government had a number of proposals put to it to build a rapid transit link that ended at Melbourne Airport.

In all reality, the chance of a magnetic levitation or monorail transport link being constructed from Melbourne to Tullamarine is in the realm of being extremely unlikely and probably fanciful unless there is a massive State government injection of funds.

The Minister for Roads and Ports and I have been discussing this in the context of the Western bypass road and the Domain tunnel. While the concept of the rapid transit link is worth studying, particularly in the context of the far more significant Western bypass road and Domain tunnel projects, we do not wish to spend scarce taxpayers' money on unnecessary investigations, nor do we wish to encourage the private sector to spend its funds on unnecessary bids for fanciful projects.

I think the best thing that can be said for the plans of the former Deputy Premier, the honourable member for Broadmeadows, is that they made interesting headlines but displayed no commonsense.

To put it in glib terms: if someone can build a monorail from Melbourne to Tullamarine and make it pay, we will authorise them to do so. On that basis they can run the entire public transport system — but I do not think it will stack up.

The other concepts of a rapid bus link to Tullamarine deserve serious consideration. I was interested in Mr Walpole's comment that it might be cost effective to examine buses being given priority access to emergency lanes, or perhaps using tram lines at off-peak periods. I am more than happy to discuss the idea with the Minister for Roads and Ports and the Minister for Public Transport in the other place. I am not aware of the specific proposal to use the tram routes — —

Hon. W. R. Baxter — I am aware of it.

Hon. M. A. BIRRELL — The Minister and I have appointed Mr Howard Ronaldson to head a project group reviewing the rapid transit link concept, as well as the Western bypass road and Domain tunnel projects. The group will take this idea into account. A number of possibilities exist regardless of the rapid transit bus proposal, and they will be explored.

Mr Best raised with me, as the representative of the Minister for Natural Resources in this place, issues facing the Coliban Regional Water Authority. I understand his keen interest and his wish to assist the local community in solving the matter. I look forward to taking it up with the Minister for Natural

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Resources on his behalf and reaching a settlement of the issue.

Mr Pullen referred to lead shot and duck hunting. Research has been done by the Department of Conservation and Environment, as it then was, and by other groups in the community, including the Victorian Field and Game Association. The government has received that advice and is mindful of the decision made by the Minister for Conservation and Environment during the election campaign, which was regarded as outside the period when decisions of this nature should be made. The Minister for Natural Resources and I have broadly discussed these matters and I have asked the department to ensure it provides me with extra information as part of our ongoing review of this and many other issues.

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — Ms Kokocinski referred to the 18-plus program and the inability to have an adult constituent admitted to it at the Western Metropolitan College of TAFE. It is like so many other programs introduced by the former Labor government; it was introduced with fanfare but had no adequate funding arrangements. It is difficult for my colleagues to meet the requirements of the program or for any funding to be provided. I can verify from my own knowledge that that happened when the coalition was in opposition. Nonetheless, if Ms Kokocinski provides me with the details of the person involved as well as the date and the name of the person whom she contacted within my office I will follow up the query.

Mr Davis referred to the fact that Dumbalk Primary School has been without preventive maintenance for 10 years. Again, that is an indication of the dereliction of the previous government and its failure to look after our stock of schools. Unfortunately, the Labor government left the State in such a financial mess that only limited funds are available for these matters. Nonetheless, I appreciate Mr Davis's concern and I shall refer the matter to the Minister for Education and ask him to look into it and respond to him.

Mr Nardella referred to justices of the peace. He should take a lesson in history. For most of this century members of the Legislative Council were not able to have justices of the peace appointed on their recommendation. Only members of the Legislative Assembly could do that. When I was Attorney-General in a previous Liberal administration I changed that policy and allowed

members of the Legislative Council to recommend the appointment of justices of the peace. When the Labor Party was elected in 1982 it did not allow any justices of the peace to be appointed. For 10 years it was virtually impossible to have anyone appointed as a justice of the peace.

Hon. Licia Kokocinski — I had JPs appointed.

Hon. HADDON STOREY — The Labor Party did not respect justices of the peace. The fact that Ms Kokocinski had people appointed to those positions demonstrates the way the Labor Party discriminates against people in the community.

I point out, as was said by way of interjection, that all members of Parliament by virtue of their office are commissioners for taking affidavits, and it is possible for Mr Nardella to witness documents if he wants to. Having said that, I shall refer the matter to the Attorney-General and ask her to respond.

Hon. W. R. BAXTER (Minister for Roads and Ports) — Mr Mier referred to me an issue for the consideration of my colleague, the Minister for Agriculture in another place. The matter largely involves the jurisdiction of the Federal government; nevertheless I shall refer it to the Minister and invite him to reply directly to Mr Mier.

Mr Atkinson referred to the signage on State highways and sought some relaxation of the current regulations enforced by VIC ROADS. I have some sympathy for the case advanced by Mr Atkinson because signage has been far too restrictive. I make it clear, however, that I am not advocating a proliferation of road signs advertising particular businesses as one often sees when travelling on roads throughout New South Wales, where many country towns have a plethora of poorly maintained and garish signs adorning their approaches.

Nevertheless I have sought a review of the signage regulations as I believe some tourist and general advertising or advice to motorists could be better managed than at present.

Honourable members will note as they motor around country Victoria that some country towns have erected particular identifications such as the Fruit Salad City for Mooroopna and the River Red Gum City for Nathalia. That type of signage has some merit.

Additional signs could be erected on the Hume Freeway to direct motorists' attention to services

available along the freeway that would encourage them to pull over at regular intervals so that fatigue does not set in and lead to road deaths or people running off the road or running into oncoming vehicles. I have Euroa in mind when I say that, because I was involved with the Shire of Euroa and VIC ROADS in getting the signs changed.

A proposal is being put by the City of Wangaratta for appropriate signage once the Hume Freeway Bypass is completed in 1994 to direct motorists' attention to the Air World establishment at Wangaratta — clearly one of the unique tourist ventures in Victoria, and indeed Australia. The Wangaratta City Council has every justification for seeking some relaxation of the tight signage laws so that it can erect a board adequately promoting the location. I thank Mr Atkinson for his concern and assure him the matter is under review.

Mr Stoney referred to the condition of the Melba Highway. I appreciate his concern; I know he regularly uses that highway. I am aware that its condition has deteriorated. The Melba Highway was made a State highway by the former government in the middle 1980s under the jurisdiction and care of VIC ROADS. Previously the Yarra Glen-Yea main road was maintained by the municipalities of Lilydale, Healesville and Yea. The government made the correct decision when it classified that stretch of road as a State highway. Unfortunately it did not provide adequate funding to bring it up to highway standard. The funding provided in the Budget last year was not sufficient to maintain it let alone improve it, so funding for improvements is desperately needed. Nevertheless \$600 000 will be spent this year to construct additional passing lanes. Work will be done to continue shoulder sealing at various locations and to construct more overtaking lanes in addition to the ones that are already under way. Other high priority work includes major work between Coldstream and Yarra Glen, and the bypass of Yarra Glen, realignment south of the Yea River, widening and realignment near Webb-Wares Road, and realignment through the Murrindindi curves.

I agree with Mr Stoney's comments about the safety aspects of the road. The police have made representations to local members and VIC ROADS has expressed its concern about the likelihood of a major traffic accident. I thank Mr Stoney for directing the matter to my attention. I will inspect the road as soon as I can. VIC ROADS is aware of problems and it has given priority for these remedial works.

Hon. R. M. HALLAM (Minister for Regional Development) — Mr Ives directed the circumstances of a Mr Andrew McLean's claim under WorkCare. He did me the courtesy of giving me a briefing note outlining the circumstances of Mr McLean's claim. I am unable to do anything other than talk generally about it, because there is insufficient detail in the briefing note that Mr Ives provided.

The future entitlement for Mr McLean under the revised conditions of WorkCover will depend to a large degree on the nature of his injury and the extent of his disability. I know the question specifically referred to his two lump sum payments, but I note the word "redemption", which is a complication. I will have Mr McLean's circumstances investigated, and I will provide Mr Ives with a response.

Mr Power referred to the relocation of the Department of Agriculture to Bendigo. That is consistent with the policy announcement made prior to the election. The core of the Department of Agriculture will remain in metropolitan Melbourne, but the government will proceed with the relocation of the department's administration to Bendigo. I understand that the Minister has advised his intention to review the contract on the administration's accommodation, but I am not in a position to report on that. If it is of particular concern to Mr Power, I will report specifically on that issue at a later time.

Mrs McLean asked me to refer to my colleague the Minister for Industry Services the Mobil refinery at Altona and the petrol leak into Millers Road. She asked a number of questions about the standard of equipment and the fire protection safety standards at that location. I will pass on her inquiry to the Minister, and ask him to respond as a matter of urgency.

Mr Theophanous again referred to common-law claims being negotiated on behalf of the Accident Compensation Commission (ACC). He raised a number of cases where offers had been withdrawn. By their nature common-law settlements are matters for negotiation, compromise and settlement and, therefore, it is not unknown for offers to be withdrawn at any time.

Hon. T. C. Theophanous — The letter says that they will not withdraw; has he lied to you?

Hon. R. M. HALLAM — That is not something that would be unknown under the common-law

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process. Offers can be made and withdrawn, accepted or refused.

Hon. T. C. Theophanous — Not all offers, in a blanket way!

Hon. R. M. HALLAM — In response to the question asked by Mr Theophanous, I undertook to get a specific response from the ACC, and although Mr Theophanous has cited part of the response that I provided to him I believe it is important that it is expanded upon. The letter dated 5 November signed by Andrew Lindberg in part says:

For some time the commission has been concerned about the volume and cost of common-law settlements and has taken a number of initiatives to reduce common-law costs, including instituting voluntary conferences for early settlement.

In July a process of formal final offer of compromise was instituted in an effort to contain settlement levels. Where an offer is not accepted, the matter proceeds without further offer to court.

In an effort to further manage settlement levels the commission has instructed that existing settlement negotiations are to be ratified by the commission before settlement is effected.

Hon. T. C. Theophanous — It is not withdrawn; it is ratified!

Hon. R. M. HALLAM — The letter says, "ratified". It continues:

Where agreement to an offer has already been reached then the matter is to proceed to settlement and any proceedings that are before the court are to be settled, if possible, or proceed in accordance with existing guidelines to judgment.

All formal offers of compromise made by the commission remain open in accordance with the County Court rules and if accepted, will proceed to settlement.

Common-law matters are continuing to be settled in accordance with the procedures outlined above.

I am not in a position to respond directly to the instance cited by Mr Theophanous, but yesterday I undertook — —

Hon. T. C. Theophanous — It is a cover-up; they have lied to you. It is obviously taking place.

Hon. R. M. HALLAM — I will obtain a response that deals specifically with the issue raised by Mr Theophanous and report back to him.

Motion agreed to.

House adjourned 11.8 p.m.

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The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 11.3 a.m. and read the prayer.

ABSENCE OF MINISTER

Hon. R. I. KNOWLES (Minister for Housing) — I inform the House that the Leader of the Government will not be present today as he is in Sydney attending a meeting.

**VICTORIAN TOURISM COMMISSION
(TOURISM VICTORIA) BILL**

Introduction and first reading

Received from Assembly.

Read first time for Hon. HADDON STOREY (Minister for Tertiary Education and Training) on motion of Hon. R. I. Knowles.

**TREASURY CORPORATION OF
VICTORIA BILL**

Introduction and first reading

Received from Assembly.

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

**LAND TAX (REVISION)
(AMENDMENT) BILL**

Introduction and first reading

Received from Assembly.

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

**CHILDREN AND YOUNG PERSONS
(AMENDMENT) BILL**

Introduction and first reading

Received from Assembly.

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

SUNSHINE LAND 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.

PAPERS

Laid on table by Clerk:

Debt Retirement Authority — Report, 1991-92.

Economic Development Corporation — Report, 1991-92.

Equal Opportunity Board — Report, 1991-92.

Equal Opportunity Commissioner — Report, 1991-92.

Estate Agents Board — Report, 1991-92.

Flora and Fauna Guarantee Act 1988 — Order in Council of 30 September 1992 adding items to Schedule 2 — List of Taxa and Communities of Flora or Fauna which are threatened; and Schedule 3 — List of potentially threatening processes; and repealing of an item in Schedule 2.

Gaming Commission — Report, 1991-92.

National Parks Advisory Council — Report, 1991-92.

Patriotic Funds Council — Report, 1991.

Public Advocate Office — Report, 1991-92.

Rural Finance Corporation — Report, 1991-92.

State Superannuation Fund — Actuarial Investigation as at 30 June 1991.

State Trustees — Report, 1991-92.

Statutory Rules under the Public Service Act 1974 — PSD Nos. 28 and 29.

The Constitution Act Amendment Act 1958 — Statement of functions conferred upon the Electoral Commissioner, October 1992.

Transport Accident Commission — Report, 1991-92.

Victoria Relief Committee — Report, 1991-92.

Young Farmers' Finance Council — Report, 1991-92.

CHILDREN AND YOUNG PERSONS (AMENDMENT) BILL

Second reading

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

That this Bill be now read a second time.

The implementation of the Children and Young Persons Act 1989 marks a substantial development in the history of child welfare in Victoria. The government supported the development, introduction and passage of the Act on a bipartisan basis.

The government's support for the Act was generated by its relationship with and extension of the major reforms established by the previous Liberal government during the 1970s and early 1980s. These reforms did, in many ways, provide the underpinnings to the implementation of the Children and Young Persons Act.

The following outline provides an overview of the significance of these reforms:

the regionalisation of child welfare services contributing to more responsive and accessible services;

the professionalising of child welfare services with the employment of social workers and welfare officers and the establishment of approved training courses;

the deinstitutionalisation of child protection and juvenile corrections with the establishment of alternative programs to institutions, the closure of children's homes and diversion of more than 2500 children and young people from wardship;

the development of a range of family support and preventative services established on an area and local basis; and

the promotion of self-help and community development processes.

These developments provided a strong infrastructure on which to launch the reforms in the Children and Young Persons Act. The implementation of a complex piece of legislation

such as the Children and Young Persons Act will inevitably involve legislative and drafting problems. The Children and Young Persons Act is no exception to this rule but it is of concern that the previous government delayed action until immediately prior to the proroguing of the last Parliament.

The government is acting to expedite the passage of amendments which are urgently required to correct deficiencies in the legislation and to establish some new directions.

The following developments are included among these new directions.

1. ESTABLISHMENT OF PRE-HEARING CONFERENCES

It is proposed to establish pre-hearing conferences in the family division of the court in relation to protection applications. The outcome of the conference will be reported to the court. A magistrate will be able to order that a conference be held to assist the court in determining whether it is appropriate to make a finding that the child is in need of protection and, if such a finding is to be made, to assist the court in considering what type of order the court should make under section 85.

In a contested case the conference can facilitate clarification of the areas where evidence is in dispute. The conference may also assist the department and the parents in coming to an understanding about the reasons for the proceedings and in reaching agreement about the most appropriate outcome.

Such conferences may also facilitate the participation of the child, parents, members of the extended family and other relevant persons in the proceedings. This process is then more likely to assist with the preservation and strengthening of family relationships. Similar developments overseas appear to have been highly effective in ensuring the safety of children.

The Bill contains safeguards to protect the confidentiality of statements made in the conference to encourage the participants to speak openly in the conference. These safeguards are similar to those that apply under the Evidence Act to mediations at dispute settlement centres and to mediations and conferences with Family Court counsellors under the Family Law Act.

The Bill contains a sunset clause that will operate a year after the amendments are proclaimed. It is proposed that pre-hearing conferences will be held for a trial period and that an evaluation will then be conducted to consider their effectiveness prior to the operation of the sunset provision.

2. LEGAL REPRESENTATION

Section 20 of the Act provides for legal and other appropriate representation of all children appearing in the Children's Court. Section 20(2) makes legal representation mandatory in the family division for children who are either mature enough to give instructions or who can express wishes. It is generally accepted in the jurisdiction that children of or above the age of 7 to 8 years have the capacity to give legal instructions, whereas children of 3 to 6 years of age are only capable of expressing wishes. This presents a practical problem for lawyers representing younger children. It is inappropriate for a lawyer to rely solely on the wishes expressed by such a child as the child is usually not capable of giving effective instructions.

The Bill removes the mandatory requirement for legal representation in relation to these younger children. This amendment does not affect the mandatory requirement for legal representation of any child capable of giving instructions. Nor does it affect the provisions in the Act which allow a court to adjourn until other appropriate representation is provided for such younger children or affect the general power of the court to consider a child's wishes.

3. PERMANENT CARE ORDERS

One of the reforms in the Act has been the introduction of "permanent care" orders. The provisions regarding these orders came into operation on 16 April 1992. The order can apply to a child who has not been in the care of his or her parents for at least two years where the parents are either unable to resume custody and guardianship of the child, or where such a resumption would not be in the best interests of the child. In such cases the court may place the child into the permanent care of other suitable persons.

At present the applicant for such an order must be the persons who are proposing to obtain permanent custody and guardianship of the child. These persons are either the caregivers of the child or potential caregivers who have been assessed by the secretary as suitable to have custody and

guardianship of the child. The potential applicants may not be able to afford the legal costs associated with an application to the court and may therefore not be able to apply for the order.

The Bill amends the Act by making the secretary of the department the applicant for the order rather than the proposed suitable persons. The amendment therefore facilitates the ability of the court to make orders that are in the best interests of children. The making of such a permanent care order may be most important as the non-resolution of a child's status is destructive for the child. The amendment will assist in ensuring that "welfare drift" and multiple placements will not characterise the care of children when they cannot be returned to their own parents.

4. FINE DEFAULT

The Act provides that where a child who has been convicted of an offence and ordered to pay a fine fails to pay the fine that a default order may be made. One possible default order is to place the child on a youth supervision order or a youth attendance order. Community service is normally a component of such orders. However, those orders also impose other requirements, such as attending a youth supervision unit or a youth attendance project. The Bill amends the Act to substitute the power to make a supervision order or a youth attendance order in this situation with the power to order that the child comply with a community service order.

A community service order is to be an order requiring the child to perform community work to work off the amount of the fine that has been unpaid. The focus is therefore towards requiring the child to perform work as payment in kind to the community. This sentencing option more correctly fits the community's perceptions of the appropriate manner to deal with fine defaulters and is consistent with the provisions that apply to adults under the Sentencing Act. This reform is also intended to prevent the mixing of fine defaulters with other offenders.

5. YOUTH RESIDENTIAL CENTRE AND YOUTH TRAINING CENTRE ORDERS

While the court has a discretion to do so, the Act does not require the court to consider a presentence report before sentencing a child to detention in a youth training centre or a youth residential centre. The Bill amends the Act to require the court to consider a presentence report before imposing a

sentence of detention. The aim of this proposal is to ensure that the court is fully informed about the child's background and circumstances, other possible sentencing options, and what a youth residential centre and a youth training centre will provide a young offender. This amendment is consistent with the Sentencing Act, as that Act requires that a presentence report be prepared before an adult is sentenced to detention.

6. CORRECTIVE SERVICES STANDARDS

The Bill will establish minimum standards for the holding of children in custody or detention. The amendment establishes entitlements for children in remand centres, youth training centres and youth residential centres to receive visits, to have their medical, cultural, religious and developmental needs met, and to be provided with information on the rules of the centre and on avenues for complaint.

Under the Act when a child is remanded in custody in some of the outlying country areas he or she may be remanded in custody at certain police gaols or at another suitable place for up to two working days. Standards detailed in the Bill are also to apply to children remanded in these police gaols. A particularly significant requirement is that children are to be held separately from adults. While it may be necessary for law enforcement purposes and for the safety of the community to place some children in custody or detention, it is essential that the needs and rights of such children are recognised and respected. This amendment seeks to achieve this purpose.

7. POWERS AND DUTIES IN CORRECTIVE SERVICES

Over the past year the department has been preparing regulations to apply to corrective services such as centres for the remand and detention of children. The regulations were to deal with matters such as the power to search persons detained in these centres, and on the use of isolation and confiscation. These powers are necessary to maintain safety, security and peace and good order in these centres.

Powers equivalent to those contained in the draft regulations existed under the Community Welfare Services Regulations 1985, which previously governed corrective services. Parliamentary Counsel has advised that it would not be appropriate to remake regulations regarding these powers as they

are matters that would more appropriately be dealt with in an Act rather than in subordinate legislation.

To ensure compliance with the Subordinate Legislation Act 1962 it is proposed that these matters be included in the Act rather than dealt with in regulations. These amendments are essential to ensure that there is a proper balance between the rights of detainees to privacy and bodily integrity, and the need to maintain security and protect the rights of all detainees, staff and visitors to personal safety. Those amendments complement the amendments on corrective service standards to ensure that the rules governing places for the remand and detention of children are clear.

The Bill also makes a number of other amendments to the Act. For example, it amends the Act to enable the secretary to delegate his or her functions to temporary employees of the department. At present only permanent staff may be delegated such functions. The Bill also makes technical amendments to remove inconsistencies in wording and to rectify ambiguity of meaning in some of the provisions. The need for these corrections has become evident as a result of implementation of the Act.

The Bill forms part of the government's ongoing commitment to improve law and practices in the criminal justice system and to strengthen child protection services. The coalition government does not support mandatory reporting at this stage; however, it firmly believes child abuse is totally unacceptable.

Sexual abuse of children is a major concern for the community, and this government intends to take steps to ensure the protection of children. In this regard the government is concerned about the apparent low rate of reporting of child sexual abuse in Victoria as compared with other States. The government has noted the impact of the recent media campaign which has raised awareness of the need to stand up and take action in relation to child sexual abuse.

The government will continue to monitor and review the reporting rates for child sexual abuse. In addition we will be strengthening the promotion of community education programs against child abuse emphasising the need for reporting and to take action where necessary.

The government will continue to consider all options which may be required to make a significant contribution to the prevention of child abuse. The

government recognises the vital contribution made by the community and the non-government sector to the operation of an effective child protection service in Victoria. That contribution will receive full recognition in the examination of the service to ensure that child abuse is reported.

The amendments incorporated within the Bill will further enhance the capacity of the government, the courts and the community to respond to children in need of protection and to children drawn into the criminal justice system to ensure that services operate to the maximum benefit of children and the community.

I commend the Bill to the House.

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

Debate adjourned until next day.

SUNSHINE LAND BILL

Second reading

For **Hon. M. A. BIRRELL** (Minister for Conservation and Environment), **Hon. R. I. Knowles** (Minister for Housing) — I move:

That this Bill be now read a second time.

The purpose of this Bill is to revoke part of the More Park Reserve, Sunshine, to enable that land to be used for construction of the Western ring-road.

The Western ring-road project is a key element of the development of a ring-road around Melbourne. Funding for this project is provided by the Australian Bicentennial Road Development program in the national arterial category.

As part of the construction of the Western ring-road an area of about 2.2 hectares of Crown land being part of More Park is required for road purposes. This land is to the south of the Western Highway. More Park is permanently reserved under the Crown Land (Reserves) Act 1978 and is controlled and managed by the City of Sunshine as a committee of management.

Two separate reserves form More Park. The Bill provides for revocation of the whole of one reserve and part of the other as described and shown in Schedule 1 and Schedule 2 to the Bill.

The planning scheme amendment for the use of this area for road purposes has been effected. Extensive consultation took place in this planning scheme process, including the preparation of an environment effects statement. There is community support for the Western ring-road project and the City of Sunshine has indicated its agreement with the revocation of part of More Park for this purpose. Melbourne Water has agreed in principle to the proposal to construct a bridge over Kororoit Creek to facilitate the roadworks in this vicinity.

Appropriate replacement open space will be provided for the area of More Park which is to be used for the project. This land will be acquired by VIC ROADS nearby and to the south of More Park. The legislation will come into operation on a day to be proclaimed. This will enable the government to ensure that it is satisfied that suitable replacement open space is provided.

I make the following statement under section 85(5) of the Constitution Act 1975 of the reasons why clause 6 of the Bill alters or varies that section:

1. Clause 6 of the Bill provides that it is intended to alter or vary section 85 of the Constitution Act 1975 to the extent necessary to prevent the Supreme Court from awarding compensation in respect of anything done under or arising out of the Act, except in relation to any agreement under section 45 of the Transport Act 1983 concerning land shown hatched on a plan in Schedule 2. The exception relates to land used for transport purposes.
2. Clause 5 of the Bill provides that, except as provided in any agreement under section 45 of the Transport Act 1983 concerning land shown hatched on a plan in Schedule 2, no compensation is payable in respect of anything done under or arising out of the Act.
3. The Bill revokes the reservations of certain Crown land and extinguishes all interests and rights over that land.
4. The reason for preventing the Supreme Court from awarding compensation in this case is as follows:

to enable the Crown to change the use or status of reserved land, it is necessary to ensure that the land is no longer subject to any interests or rights arising out of the former use. The existence of these interests and rights, and claims for compensation based on them or on the former use of the land, could delay or

prevent a change in the use or status of the land that is for the benefit of the community as a whole.

I commend the Bill to the House.

Debate adjourned for Hon. B. T. PULLEN (Melbourne) on motion of Hon. C. J. Hogg.

Debate adjourned until next day.

INTELLECTUALLY DISABLED PERSONS' SERVICES (TRUST MONEY) BILL

Second reading

Debate resumed from 5 November; motion of Hon. R. I. KNOWLES (Minister for Housing)

Hon. C. J. HOGG (Melbourne North) — The Bill is small but significant because it maps out directions for the present and future management of intellectual disability services. In doing so it encapsulates some of the changes that have occurred in the running of intellectual disability services during the past decade.

The Bill amends the Intellectually Disabled Persons' Services Act, which was proclaimed in 1986. It makes changes to the arrangements for the keeping of trusts for clients in residential institutions, residential programs and registered residential services.

The opposition welcomes the reintroduction of the Bill, which was first introduced by the former Labor government and which was regarded by the then government and the responsible Minister, the Honourable Kay Setches, as crucial to the network of measures that make up and have made up the package of reforms in the field. The reforms, which this House has largely overseen, constitute a decade of review, detailed planning and implementation.

Members of the opposition view with pride the reforms that have been made, and we acknowledge that none of them has been easy. Progress in a field as complex as intellectual disability services, involving as many institutions and programs as it does, is and never will be easy for any government.

The Bill deals with the trust accounts of clients of what is now called the Department of Health and Community Services. The reforms were set in train as a result of the work of several inquiries into residential institutions. Unhappily, the inquiries

revealed a degree of misuse of clients' money and considerable problems with the administration of the funds. The inquiries also highlighted the good work done in institutional settings by most of the staff — and they are not easy settings in which to work. Nevertheless, they also revealed levels of abuse and further emphasised the need for the scaling down of all institutions and, in some cases, the need for closure.

Other recommendations included enabling clients to live in smaller, more home-like settings and affording them more appropriate and easier access to educational programs and community facilities. The need to ensure the provision of more training and educational programs for independent living, where applicable and appropriate, was also recognised. In smaller settings, residents are able to become part of the general community, with all the neighbourhood and community scrutiny and interaction that that involves.

During the 1980s many people with intellectual disabilities moved into smaller community residential units, and in almost every case that has been successful. In every case the transition has been successful when appropriate support has been available. One of the reasons the community and members of this House feel comfortable about the program is that the small institutions become part of the community. I do not intend to sound harsh or critical of the larger institutions which have done very fine work over the past 100 years, but many of those institutions are in physical decay — the Caloola Training Centre is an example of that — and in many cases large sums of money would need to be spent to bring them up to the appropriate standard.

Moving people from large institutions into small institutions provides a more family-type setting. It gives greater community observation and scrutiny and it takes people from large and often inappropriately designed buildings to smaller, home-like accommodation in which we would all be proud to live.

I note that the Bill has the support of the Auditor-General, the Public Advocate, the Guardianship and Administration Board, the State Trustees and the Victorian Residential Association for the Intellectually Disabled.

The Bill revises and tightens the management of individual trust funds. The responsibility for those accounts will now be taken by the Secretary to the

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Department of Health and Community Services. The opposition believes that change will increase responsibility and accountability because it will make the secretary to the department responsible for managing a single residents' trust fund consisting of a number of accounts, including a trust fund for each resident in an institution or program.

I note that the change in name from Director-General of Community Services Victoria to Secretary to the Department of Health and Community Services is the only change in the reintroduced Bill. That reflects the changed arrangements that have been put in place by the government. Responsibility for investments will be with the Secretary to the Department of Health and Community Services. Although the day-to-day workings of the arrangements may be delegated to the appropriate officer or officers within the department, the responsibility lies with the secretary.

Non-government registered residential services will have a choice about how to manage trust accounts. They may enter the arrangement I have just described, and many smaller residential services will welcome that option. Non-government residential units may, however, wish to manage their own accounts and the choice will be theirs. To ensure that appropriate standards are maintained, trust accounting methods will be discussed with those agencies as part of their service agreements. Despite the fact that a choice is available for the non-government sector, a framework is established to ensure that management is responsible and accountable.

Proposed new section 50L makes changes to the residents' amenities fund, providing that a new fund will be established for each institution. The fund will be made up of donations and of an annual levy that will be paid by all residents of the institution. The amount of the levy will be determined by the Minister for Health Services after advice has been sought and following consultation with the standing committee of the institution, which is to be made up of residents, relatives of residents and staff. It is expected that the levy will be quite small, perhaps \$2 or \$3. The new arrangement is equitable because each resident will pay the same amount into the amenities fund, which is to be used to purchase goods and sometimes services that are for the enjoyment of everybody and for the common good. The goods and services are over and above the furnishings, which are provided as a matter of course by each institution. I suppose the sorts of things that might be purchased would be a video

cassette recorder or a CD player. The previous situation was inequitable and, as I said, the new arrangement will provide equity for all residents of institutions. The responsibility for establishing the levy resides with the Secretary to the Department of Health and Community Services or his delegates.

Proposed new section 50M provides that the secretary must prepare an annual plan of expenditure from the amenities fund, after consultation with the standing committee of residents, relatives and staff.

The last provision in the Bill, proposed new section 50R, must surely give considerable satisfaction to all honourable members. It deals with the disbursement of money in a residents' amenities fund when an institution closes. The proceeds from the sale of goods purchased from the fund are dealt with and provision is made for returning the contributions made by residents to the fund. Two things will happen: goods that have been held in common will be sold; and the proceeds from the sale will be returned to the residents, as will their own contributions. The provision will apply to any institution that has been closed or will close in the future.

The measure is a sign of the times. Such a provision would not have been needed in 1978 or 1982, or even in 1985, when this House was first informed of the 10-year plan for the redevelopment of intellectual disability services. The need to think through and make arrangements for possessions held in common by residents of an institution that is about to close is certainly a sign of change, a sign of the times. I hope as I am sure do all honourable members that it is a sign of things to come.

That provision signalled the previous government's intention and determination to scale down and close institutions in a responsible and careful way. The opposition hopes the government has the same intention and determination.

I ask the Minister representing the Minister for Community Services to consider — and to mention to his Ministerial colleague — a proposition raised with me by my colleague Mrs Garbutt in another place that, when the amenities in an institution that is about to be closed are sold, the residents be given the chance to buy them. There is probably not a huge market for old television sets, compact disc players or video cassette recorders, but they could be very important purchases for people who are

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beginning different lives with different levels of independence.

As I said at the start, this is a small Bill. Although it deals with small amounts of money, they are enormous sums for the people concerned. The way that money is handled is significant to the management of these institutions.

The degree of responsibility and the seriousness with which staff handle these matters may seem petty to others, but the Bill is, nonetheless, symbolic of this decade. It spells out indirectly some of the things that have been done and looks to the future with some hope and optimism so that more progress can be made. The foundations that have been set in place over the past 10 years must be built upon.

Hon. R. S. IVES (Eumemmerring) — As the Honourable Caroline Hogg has intimated, the Intellectually Disabled Persons' Services (Trust Money) Bill is important and symbolic. No doubt, in introducing it the government has been motivated by two factors: firstly, the unpleasant inquiry into abuses at the Pleasant Creek, Caloola, Janefield, Kew and Aradale training centres. No excuse can be made for the abuses that were uncovered in those investigations.

As the Honourable Caroline Hogg also intimated, change in human services is difficult to achieve. That highlights the need for formal systems of accountability to be put in place. Often goodwill is not sufficient when introducing change. The opposition is pleased that the management of trust accounts will be formalised and that a system of accountability and control will be established.

The second reason for the introduction of the Bill was the closure of the Caloola Training Centre and the fact that St Gabriel's and Brierly hospitals ceased to operate under the Intellectually Disabled Persons' Services Act. The situation highlighted the need for a formal and equitable disbursement of the moneys in trust funds following the closure of an institution.

The Bill will be passed today — and, as the Honourable Caroline Hogg said, it is virtually a reintroduced Bill. It has the support of the government, the opposition, the Auditor-General, the Public Advocate, the Guardianship and Administration Board, the Public Trustee and the Victorian Residents Association for the Intellectually Disabled.

The Bill amends the provisions of the Intellectually Disabled Persons Services' Act to ensure better control and management of the trust accounts of intellectually disabled residents of the State's institutions, programs and services.

I turn to the management of the trust funds of individual clients. A set of checks and balances has been set up to ensure funds are properly managed in an accountable way. This has been done by vesting ultimate responsibility in the secretary of the department and by empowering him to delegate to accountable persons in institutions responsibility for the withdrawal of funds and for ensuring that discussions with residents take place. It enables the secretary to delegate to other more suitably qualified persons in the department the overall supervision of investment in trust funds, including consultation with banks and the use of the department's computer system to monitor and provide surveillance of the trust accounts in regional and local institutions.

Non-government residential service providers will have the option of becoming part of the system. Those who do become part of the system will find it enables them to manage their trust funds in a highly organised, formal and businesslike way, with a minimum of expense. Alternatively, they will be able to maintain their own trust funds and the department, as part of the service agreement, will ensure that the trust funds are managed in an adequate way.

Residential amenities' funds can hold substantial sums of money that have come from fundraising and donations — there is a lot of goodwill in the community that can be tapped. The funds can hold between \$500 and \$2000 and need to be managed adequately. The former system of taking a percentage, usually 25 per cent of the interest earned on each resident's trust account, was not equitable. The imposition of an annual levy of \$2 or \$3 a week is a much sounder basis on which to proceed.

Because the funds can be relatively large and mean so much to the people concerned — small amounts of money can go a long way and these institutions develop great expertise in making money go as far as possible — there is a need for them to be controlled. Having the funds placed under the control of the secretary of the department, and giving him the power to delegate to accountable persons, as well as the requirements for an annual plan and consultation with committees of residents, relatives and staff, will assure the community and

patients that the funds will be properly administered. Mrs Hogg mentioned the happy need to build into the legislation a method by which the funds of institutions that are closed can be formally and equitably disbursed to the appropriate people.

I make a few general comments in closing. Constant surveillance and maintenance of standards is required in this area. We can never be complacent. Mrs Hogg heaped praise on the majority of the staff and administrators of our large, often century-old institutions, who have worked competently and well. It must be said, however, that experience here and in other parts of the world has shown that there is a tendency for institutions to grow large and become depersonalised and bureaucratic, and for small sections of those institutions to become breeding grounds for tyranny, complacency, apathy, callousness, lack of responsibility and lack of accountability. The havoc, tragedy and misery that these small segments of large institutions can wreak on the lives of the inhabitants is beyond description. It reaches tragic proportions.

We must ensure that institutions and residential units are run for the benefit of the residents and not for the benefit of staff or the administration. In our world, out of sight tends to be out of mind. Mrs Hogg said that great hope can be placed in the new community residential units, which were set up under the former government. The small residential units have between four and six residents. They have varying degrees of support staff and a system of cross-checking under the surveillance of neighbours and the community, community visitors, the Public Advocate and, often, community-managed boards, whose members are made up of parents and people from the community. Those factors, together with the new disciplinary and investigative codes of the Department of Health and Community Services, should mean that these smaller institutions are more responsive, personalised, informal, pleasant and humane places in which to live and approximate so far as possible normal living arrangements in the community. As a former President of the Westernport Regional Housing Association, which operates 15 residential units in the Westernport region, I know that by and large they do, but even a residential unit has the potential to become a mini-institution. The majority of parents and staff are exemplary, decent and responsible human beings. They do great work under often difficult circumstances.

Because this field comprises the most vulnerable people in our society there is no excuse for complacency. We have found that occasionally a parent is callous and neglectful towards his or her child and that trusted, long-serving house supervisors and staff are occasionally found wanting because they betray the trust placed in them. Sometimes at night residential houses have been in the control of casual employees and every now and again we have found that the screening and training of casual employees has been inadequate. The system requires ongoing scrutiny to ensure accountability, monitoring and oversight, cross-checking, separation of powers, careful staff selection, training and development, motivation, a high standard of staff and exacting management. This is an ongoing responsibility for the Department of Health and Community Services.

The former government made great improvements by closing the large institution in Kew and the Caloola Training Centre, putting in place the intellectual disabilities 10-year plan and developing community-based residential services. When abuses were discovered in the system the former government took prompt and decisive action to rectify them. A network of measures and reforms has been set in place. It is the task of the department under this government to build on that substantial foundation.

Motion agreed to.

Read second time.

Third reading

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

That this Bill be now read a third time.

I thank the Deputy Leader of the Opposition, Mrs Hogg, and Mr Ives for their contributions to the debate. They have both made contributions in this field and those contributions should be identified. There is no doubt that great change for the better has occurred over the past 15 years, but there is still a great deal to do. Clearly, scrutiny and the provision of services must continue for those people who are among the most vulnerable in our community. Their vulnerability has led them to be ignored and hidden for many years.

The way it treats its most vulnerable members is a measure of how enlightened a society is. Both

honourable members made important contributions to the debate — contributions with which any person involved with intellectually disabled people and their families could identify. Mrs Hogg asked whether the government would enable residents to purchase amenities that were purchased through the amenities fund when the institution was closing. The government sees no difficulty in that course being followed. The only proviso it would raise is that each item would have to be purchased at market value because the proceeds go back to the amenities fund to be distributed among those who have contributed to it.

I commend the Bill to the House.

Motion agreed to.

Read third time.

PREPARATION OF WEEKLY "HANSARD"

The PRESIDENT — Order! In relation to the issue of the weekly revised *Hansard*, because of the extended hours of the sittings of both Houses planned for this short sessional period, I have given instructions that the preparation and printing of the weekly revised *Hansard* is to be held over until the completion of the sessional period. The *Daily Hansard* will continue to be available on the next working day following a sitting day.

EMPLOYEE RELATIONS BILL

Second reading

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — I move:

That this Bill be now read a second time.

This Bill represents the most significant and fundamental reform of the Victorian industrial relations framework. The Bill is an essential ingredient of the government's pre-election commitment to provide the environment to revitalise the Victorian economy by streamlining the Industrial Relations System and improving the relationship between employee and employer.

The aims of the legislation are to promote efficient and productive industry in Victoria, to develop a workplace culture in which a new sense of cooperation and common effort exists between employee and employer, to strengthen the rights of

freedom of choice, of freedom of association and to promote equality in the employee-employer relations system.

The new system is based on the freedom of employees and employers to choose how they regulate their own affairs while at the same time protecting the fundamental civil liberties of individuals by providing for freedom of association.

The system established by the legislation provides a sound framework for the prevention and settlement of industrial issues and for their orderly and fair handling in a manner that is consistent with the interests of the Victorian community as a whole as well as the interests of those parties immediately concerned.

The essential features of the legislation are as follows:

1. EMPLOYMENT AGREEMENTS

The central plank of the system provides for employment agreements to be negotiated between an employer and an employee or employees. Both collective employment agreements and individual employment agreements will be provided for. In the case of collective agreements employees may negotiate with their employer themselves or if they so wish authorise a representative or establish a committee of employees to represent their interests. New employees joining a business after a collective employment agreement has been negotiated may be covered by that collective agreement if there is agreement between the employer and the new employee or they may negotiate their own individual agreements.

Individuals negotiating individual employment agreements may authorise a representative to assist them during the course of the negotiations.

Collective employment agreements must be in writing and copies must also be available to the employee if the employee so requests. An individual employment agreement must be in writing if the employee so requests at the time of entry into the agreement. Similarly, a copy of any applicable award must be held by an employer and made available to an employee upon request.

All collective agreements must be for a fixed term which cannot exceed more than five years from the date on which the agreement came into force.

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Collective agreements will cease to apply on their expiry. If they are not replaced by a new collective agreement the terms of the previous collective agreement will be applied to the employees concerned as individual employment agreements pending the negotiation of a new agreement.

When individual employment agreements expire they will continue in force until they are replaced by new employment agreements.

All collective employment agreements will be required to be lodged with the Employee Relations Commission within 14 days of their coming into force. The commission will not be able to disclose the terms of such collective employment agreements to any person except the parties to the agreement or a person given authority to enforce the provisions of the agreement.

Individual employment agreements will not be required to be lodged with the Employee Relations Commission although every employer in Victoria must notify the commission in July of each year of the number of individual employment agreements by which they are bound.

Employment agreements are enforceable in accordance with the provisions of the legislation and their terms will prevail over any other arrangement in existence. Any employee who breaches an employment agreement may be liable to court action which could result in damages being awarded. However, an award of damages will be limited to a maximum of \$5000.

Where an employer and an employee or employees mutually agree, their relationship can continue to be covered by awards made by the Employee Relations Commission of Victoria.

As with employment agreements, awards must contain a specified period of operation and will not be able to operate for more than five years from the date on which they came into force. At their expiry, awards cease to apply and unless a new award is made the terms of the existing award will continue to apply to the employees previously covered but in the form of individual employment agreements.

It is important to note that the Bill contains a safety net and that minimum standards for a variety of industrial provisions are set by the legislation. These are contained in Schedule 1 to the Bill and cover annual leave, sick leave, parental leave and

minimum rates of pay based on present award provisions.

Both employment agreements and awards must abide by the minimum standards set by the legislation.

It is the intention of the government that these minimum standards be reviewed from time to time against the background of prevailing economic conditions and community views regarding appropriate employment conditions.

General employment standards which provide long service leave and maternity, paternity and adoption leave for Victorian workers are included.

Employment agreements and awards will only be capable of variation during their life to remove any ambiguity or uncertainty in their terms.

All awards made by the Employee Relations Commission must contain a settlement of disputes procedure and stand-down provisions. Industrial action must conform to the settlement procedures specified in the agreements otherwise it is deemed unlawful. Awards will no longer be able to include provisions that limit the working of ordinary hours to particular days of the week (clause 25(2)). Current award provisions which provide that ordinary hours must be confined to Monday to Friday will not be permitted.

Existing clauses of awards which provide that ordinary hours worked on Saturday and Sunday attract penalty payments will not be able to continue. This provision is intended to catch awards which do not restrict ordinary hours to Monday to Friday but provide a specific penalty payment — not the normal overtime payment — for work performed on Saturday or Sunday. Without such a provision it would be possible to establish specific penalty payments which effectively prevented work on weekends.

The clause overall is designed to address these two issues — otherwise it is intended to leave questions of hours, days and payments to the parties. It is normal for awards to limit the number of days on which ordinary time can be required to be worked to an average of five per week. The Bill does not prevent the continuation of such provisions. If the award does contain such a provision, the first five days worked in a week will be at ordinary time rates. Any additional days required to be worked will attract overtime rates.

This provision will come into force on the same date as the award system as we know it today ends, that is, 1 March 1993.

Employees will have the ability to challenge harsh, unjust or unreasonable dismissal or threatened dismissal by their employers if they are covered by an award at the commencement of the relevant section of the legislation. The employee must lodge an application in writing within ten business days from the dismissal.

The legislation prohibits any employment agreement or award or any other arrangement from containing provisions giving any group of individuals preferential treatment in employment.

FREEDOM OF ASSOCIATION

The government believes in the fundamental right of persons to work. Accordingly, the freedom of association provisions in the Bill make it illegal for a person to apply any undue influence, directly or indirectly, to any other person to make that person join an employee or employer association as a precondition to employment.

Any form of compulsory unionism, closed-shop arrangement, preferential clauses or other arrangements which infringe the fundamental freedom to choose whether to belong to industry associations will be prohibited. Victorians will henceforth have a choice in whether to join a union, employee organisation or industry association and they will be protected against victimisation for exercising that choice.

INDUSTRIAL ACTION

Clause 36 of the Bill lists the circumstances in which industrial action is unlawful.

There must be an end to irresponsible industrial action when an award, collective agreement or dispute settlement procedure adequately provides a mechanism to address issues.

Because awards and collective agreements must be fixed term and must contain a dispute settlement procedure, industrial action such as strikes, bans, limitations or restrictions on the performance of work will be illegal if they occur while a relevant award or collective employment agreement is in force or if:

the proper procedure for handling such claims or disputes has not been followed;

it occurs in an industry that provides an essential service as defined in the Essential Services Act or is an industry declared a "vital industry" under the Vital State Industries (Works and Services) Act;

it takes place without a secret ballot having been conducted; or

it occurs for the purpose of causing loss or damage to a third party or where the strike action amounts to a secondary boycott.

Any legal action arising out of unlawful industrial action will be heard exclusively by the industrial relations division of the Magistrates Court.

If industrial action is lawful the Bill provides common law immunity.

PICKETING AND THE CRIMINAL LAW

The government is extremely concerned with the violence and consequent civil disruption that has occurred at some picket lines in recent times. Any action endangering the life or property of individuals, be they employees or employers, is viewed seriously. The government will use every effort to ensure that the full force of the law is applied to ensure the safety of individuals who, in going about their lawful business, are subjected to harassment and potentially life-threatening situations.

Accordingly, it is important to note the scope of the criminal law with regard to picketing and to indicate how government intends to apply that law in situations of unlawful behaviour.

If a picket commits a criminal offence he or she is just as liable to be prosecuted as any other member of the public who breaks the law.

The criminal law protects the right of all persons to go about their lawful daily business free from interference by others. No-one is under any obligation to stop when a picket asks them to do so or, if he or she does stop, to comply with the picket's request, for example, not to go into work. All people have the right, if they wish to do so, to cross a picket line in order to go into their place of work or to deliver or collect goods. Pickets may exercise peaceful persuasion, but if they go beyond that and

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try by means other than peaceful persuasion to deter another person from exercising those rights they may commit a criminal offence.

Among other matters it is a criminal offence for pickets, as for others:

to use threatening or abusive language or behaviour directed against any person, whether a worker seeking to cross a picket line, an employer, an ordinary member of the public or a police officer;

to use or threaten violence to a person or to his or her family;

to intimidate any person by threatening words or behaviour which cause the person to fear harm or damage if they fail to comply with the picket's demands;

to obstruct the highway or the entrance to premises or to seek physically to bar the passage of vehicles by lying down in the road, linking arms across or circling in the road, or jostling or physically restraining those entering or leaving the premises;

to be in possession of an offensive weapon;

intentionally or recklessly to damage property;

to engage in violent, disorderly or unruly behaviour or to take any action which is likely to lead to a breach of the peace; or

to obstruct a police officer in the execution of his or her duty.

A picket has no right under the law to require a vehicle to stop or to be stopped. The law allows a picket only to ask a driver to stop by words or signals. A picket may not physically obstruct a vehicle if the driver decides to drive on or, indeed, in any other circumstances. A driver must — as on all other occasions — exercise due care and attention when approaching or driving past a picket line and may not drive in such a manner as to give rise to a reasonably foreseeable risk of injury.

It is not the function of the police to take a view of the merits of a particular industrial dispute. They have a general duty to uphold the law and keep the peace, whether on the picket line or elsewhere. The law gives the police discretion to take whatever measures may reasonably be considered necessary

to ensure that picketing remains peaceful and orderly.

The police have no responsibility for enforcing the civil law. An employer cannot require the police to help in identifying the pickets against whom the employer wishes to seek an order from a civil court. Nor is it the job of the police to enforce the terms of such an order. Enforcement of an order on the application of a plaintiff is a matter for the court and its officers. The police may, however, decide to assist the officers of the court if they think there may be a breach of the peace.

As regards the criminal law the police have considerable discretionary powers to limit the number of pickets at any one place where they have reasonable cause to fear disorder. The law does not impose a specific limit on the number of people who may picket at any place and it is left to the discretion of the police to limit the number of people on a particular picket line. It is for the police to decide, taking into account all the circumstances, whether the number of pickets at any particular place is likely to lead to a breach of the peace. If a picket does not leave the picket line when asked to do so by the police, he or she is liable to be arrested for obstruction either of the highway or of a police officer in the execution of his or her duty if the obstruction is such as to cause, or be likely to cause, a breach of the peace.

The main cause of violence and disorder on a picket line is excessive numbers. Wherever large numbers of people with strong feelings are involved, there is a danger that the situation will get out of control and that those concerned will run the risk of arrest and prosecution.

This is particularly so whenever people seek by sheer weight of numbers to stop others going into work or delivering or collecting goods. In such cases, what is intended is not peaceful persuasion but obstruction, if not intimidation. Such a situation is often described as "mass picketing". In fact, it is not picketing in its lawful sense of an attempt at peaceful persuasion and may well result in a breach of the peace or other criminal offences. Moreover, anyone seeking to demonstrate support for those in dispute should keep well away from any picket line so as not to create the risk of a breach of the peace or other criminal offence being committed on that picket line.

Large numbers on a picket line are also likely to give rise to fear and resentment among those seeking to

cross that picket line even where no criminal offence is committed. They exacerbate disputes and sour relations not only between management and employees but between the pickets and their fellow employees.

RECORDS

Under this legislation there will be a continuation of the requirement on employers to keep detailed employment records and to provide comprehensive pay slips to employees. Employees will be able to obtain ALP copies of any records kept by their employers in relation to their employment.

EMPLOYEE RELATIONS COMMISSION

The Industrial Relations Commission of Victoria is abolished by the legislation and a new body, the Employee Relations Commission of Victoria, will be created.

Transitional arrangements between the former commission and the Employee Relations Commission will protect the rights of employees and employers and assist in dealing with part-heard matters.

The work of the Employee Relations Commission will be assisted by a Commission Administration Office led by a chief commission administration officer. In addition to the normal administrative powers, the chief commission administration officer will be able to investigate the role, performance and functions of any association of employees or employers and make recommendations concerning their rights and obligations under the legislation.

The chief commission administration officer will also provide help to individuals and associations of employees or employers concerning their rights and obligations under the legislation.

Associations of employees or employers may apply to the Employee Relations Commission to be recognised and, by so doing, establish standing before the commission in respect of the groups they represent. Individuals who have an interest in any proceeding before the commission may apply to be heard in relation to that matter.

Any employer who employs persons under an award of the Employee Relations Commission will have the same rights and responsibilities as a recognised association.

Provision is made for appeals against an award or a decision not to make an award by a single member of the Employee Relations Commission. Appeals will be heard by the commission in full session by a member of the commission.

Questions of law may be referred to the Full Court of the Supreme Court of Victoria for opinion. Costs arising from a referral may be awarded.

Inspectors with the power to ensure that the provisions of any employment agreement or award are observed will be appointed under this legislation. These inspectors will be armed with appropriate authority and powers to enable them to carry out their duties.

Proceedings concerning recovery of money owed to an employee or the prosecution of a person for an offence under the legislation will be conducted in the industrial division of the Magistrates Court. The Minister — or persons authorised by the Minister — will launch prosecutions for offences under the Act.

These provisions of the legislation will ensure that any employee who believes his or her employment agreement or award has not been properly applied will have a simple cost-free course of remedy open.

LIMITATION OF JURISDICTION OF SUPREME COURT

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 this Bill.

Clause 168 is intended to alter or vary section 85(5) of the Constitution Act 1975 to the extent necessary:

to prevent the Supreme Court awarding damages in excess of \$5000 against an individual employee in any proceeding for breach of an employment agreement;

to prevent the bringing before the Supreme Court of a proceeding or matter of a kind referred to in clauses 37(1) or 153(1);

to prevent the Supreme Court having jurisdiction to hear and determine a cause of action founded on a tort referred to in clause 37(3) arising out of industrial action that is not unlawful apart from picketing activities; and

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to prevent an appeal to the Supreme Court from a decision of the Employee Relations Commission under clauses 76 or 99(4).

Clause 19 prevents a court, including the Supreme Court, from awarding damages in excess of \$5000 against any individual employee in any proceeding for breach of an employment agreement. The reason for doing this is to protect individual employees from being ordered to pay large amounts of damages.

Clause 37(1) gives the industrial division of the Magistrates Court jurisdiction to hear and determine any cause of action for damages, or any claim for equitable relief, arising out of or related to an unlawful industrial action, irrespective of the amount claimed or the value of the relief sought. By virtue of clause 37(2) this jurisdiction of the industrial division of the Magistrates Court is exclusive.

The reason for preventing the Supreme Court from exercising its jurisdiction in this type of case is that the industrial division of the Magistrates Court is intended to be a specialist body in industrial matters and will provide a cheap and speedy way of determining claims arising out of unlawful industrial actions.

Clause 153(1) gives the industrial division of the Magistrates Court jurisdiction to deal with offences under this Bill. By virtue of clause 153(2) this jurisdiction of the industrial division of the Magistrates Court is exclusive.

The reason for preventing the Supreme Court from exercising its jurisdiction in this type of case is that the industrial division of the Magistrates Court is intended to be a specialist body in industrial matters.

While the industrial division of the Magistrates Court will have exclusive jurisdiction to deal with these matters as the court of first instance, appeals to the Supreme Court against decisions of the industrial division of the Magistrates Court will still be open.

Clause 37(3) prevents a court, including the Supreme Court, from hearing and determining, in certain circumstances, any cause of action founded on the torts of conspiracy, intimidation, inducement of breach of contract or interference by unlawful means with trade, business or employment. The circumstances are when the cause of action arises out of industrial action that is not unlawful apart

from picketing activities. The reason for doing this is to protect employees who are engaged in lawful industrial action.

Hon. D. A. Nardella — Any action!

Hon. HADDON STOREY — Clause 76 makes any decision of the Employee Relations Commission under the division relating to long service leave final and without appeal. The reason for excluding appeals to the Supreme Court is to maintain a cheap and speedy decision-making process by a specialist body.

Clause 99(4) makes any decision of the commission in full session as to whether clause 99 applies to the making, varying or revoking of an award final and without appeal. The reason for excluding appeals to the Supreme Court is to maintain a cheap and speedy decision-making process by a specialist body.

This legislation represents a significant reform of the industrial relations framework in this State. In enacting this legislation the government believes it is acting in the interests of all Victorians and eventually, when similar proposals are enacted elsewhere, Australia will have a comprehensive and uniform industrial relations framework.

This legislation is not about confrontation or division or exploitation. It seeks to redress and eliminate the imbalances and divisions inherent in the previous system by empowering the key players in the industrial setting — the employee and the employer — to negotiate mutually satisfactory arrangements. In so doing, the legislation does not seek to promote the interests of one party or indeed of any other party above those of another. Instead the reforms are designed to enhance and strengthen the rights of free choice, free association and equal opportunity. They provide employees with the opportunity to become more closely linked to their employment to make that industry more competitive and productive and to enable them to share the benefits of that industry's success.

Most importantly, the Bill will be a significant factor in creating the conditions for an internationally competitive industry base in this State and for attracting greater investment opportunities for Victoria. These conditions will lead to the creation of jobs and greater prosperity for all Victorians.

I commend the Bill to the House.

VITAL STATE INDUSTRIES (WORKS AND SERVICES) BILL

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

Debate adjourned until Tuesday, 10 November.

VITAL STATE INDUSTRIES (WORKS AND SERVICES) BILL

Second reading

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — I move:

That this Bill be now read a second time.

Honourable members will be aware that this Bill was first introduced as a private member's Bill in the Legislative Council in 1991.

The purpose of the Bill is to enable government to have clearly defined power to protect vital State industries covering the production of both goods and services in circumstances where disruption may impair the economic viability of those industries, or, through flow-on effects, adversely affect the overall economic or social fabric of the State.

Let me say at the outset that the government is aware of the responsibility imposed upon it by the enactment of this legislation. It should not be seen as an attack on unions or on the conduct of the ordinary lawful processes of unions. Rather, the legislation should be seen as a measure of last resort to government to ensure that a harmonious industrial relations framework, in which workers who choose to work are not subject to intimidation by militant unions, is preserved. It is not intended to use the legislation provocatively or without due regard to the lawful interests of management, employees and unions.

However, it is clearly aimed at those who seek to put themselves above the law and whose actions threaten the economic interests of this State. For too long governments have tolerated selective acts of union thuggery resulting in hardship for members of unions and proprietors of businesses and to the overall detriment of the economic viability of this State. It puts on notice those who seek to destroy an industrial relations framework that protects the legitimate interests of workers and management that government will act swiftly and decisively to maintain ability and protect Victoria's economic position.

The Bill enables the Governor In Council to declare any industry to be a vital State industry, thereby empowering the relevant Minister to take action to maintain production in that industry or associated industries. It will ensure that a declared vital industry can continue to operate and trade free from the threat of industrial disruption.

The Bill further provides that any person causing or inducing interference with a vital State industry is liable for compensation for any loss or damage suffered as a result of a strike or other interruption or disruption. Moreover, under clause 8, the Minister has wide-ranging powers to give directions ensuring the viability of vital State industries and works. Among the powers listed in clause 8 are:

the power to direct what activities, projects or works will be maintained and under what terms and conditions they are to operate;

the power to employ personnel on such terms as appear necessary to ensure the continued operation of the business activity; and

the power to requisition the use of property required for the maintenance of any declared vital State industry.

Persons failing to comply with these directions or who seek to prevent or hinder their implementation will be liable to an offence carrying significant penalties. The legislation enables the Attorney-General, the responsible Minister or any interested party to seek an injunction from the Supreme Court to restrain a person or organisation from engaging in the type of action which prejudices the viability and conduct of a vital State industry.

I reiterate that the government does not seek by this legislation to attack the trade union movement or to derogate from workers' rights. It is clearly aimed at that element of the trade union movement which sees itself as being above the law and which is determined to employ unlawful and destructive tactics thereby threatening both the social cohesion and economic fabric of this State. The legislation will be used as a measure of last resort, but the government makes it clear that it will not hesitate to use it to ensure that lawful economic activity and the interests of management and workers are protected.

In this context, the legislation is a demonstration of the government's commitment to protect and enhance employment opportunities for Victorians, to create ability in Victoria's industrial relations framework, to secure industrial and commercial

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opportunities for Victorian enterprises and to provide for compensation when the law seeking to guarantee that security is broken.

I commend the Bill to the House.

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

Debate adjourned until later this day.

ANNUAL LEAVE PAYMENTS BILL

Second reading

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — I move:

That this Bill be now read a second time.

This Bill represents the enactment into legislation of the government's announced decision to render void and unenforceable any State award or contract of employment requiring the payment of leave loadings on leave taken after 28 October 1992.

The Bill will override any State award or contract only to the extent necessary to remove the legal obligation on the employer to pay leave loading. All other provisions of any such award or contract continue in force unaltered.

Industrial tribunals established under Victorian legislation will be prevented from including in any award, determination, order or decision, any mandatory requirement for an employer to pay an employee an amount in excess of the employee's ordinary pay for the period the employee is on annual leave.

The Treasurer has already indicated in another place that, on the enactment of the Bill, the government will discontinue payment of leave loading to its own employees employed under State awards, in respect of leave taken after 28 October 1992.

By discontinuing such payments the State will generate savings of some \$41 million in 1992-93 and about \$80 million in a full year. Budget-driven reductions to the public sector work force will be substantially less than they would otherwise have been.

Leave loadings were introduced across the Victorian public sector as a flow-on from their introduction in the Commonwealth Public Service in the 1972-75

period. The Whitlam Minister responsible for the introduction of leave loadings into the Commonwealth service, Mr Clyde Cameron, is on record, on the ABC radio program *AM* on 17 May 1991, as saying "It was a stupid decision".

By accepting the discontinuation of the payment of leave loadings, public sector employees will minimise the job losses that will be needed to bring the State's finances onto an even keel. Disruption to public sector activities in an effort to retain this loading will ensure that greater job losses are necessary to achieve the government's budgetary aims.

The legislation enables the government, as the employer in the Victorian public sector, to decide to discontinue payment of leave loadings to employees under State awards and contracts, and it gives private sector employers with employees under State awards or contracts the freedom to make the same decision. The legislation does not make it mandatory for private employers to discontinue payment of leave loadings, but it clears the way for private employers to follow the government's lead.

For government, leave loadings are a budgetary cost. For private employers they are yet another obstacle to economic recovery and the generation of sustainable jobs in an increasingly competitive and unsettled world economic environment.

The government strongly urges all private employers in Victoria to follow the government's lead and discontinue payment of leave loadings.

The legislation cannot apply to workers under federal awards or contracts. However, for the full benefit of the increased cost competitiveness to flow to Australian business, the employers of workers under federal awards or contracts must also be able to decide to discontinue payment of leave loadings. The government will apply to the Australian Industrial Relations Commission to vary federal awards containing leave loading provisions to remove such provisions.

In view of the longer term interest of Australia in achieving a more flexible labour market and a more dynamic private sector with an enhanced job-creating ability, the Premier has written to the Prime Minister and to the Premiers and Chief Ministers of other States and Territories to urge them to cooperate in applying the provisions of the Bill and to support Victoria's application for a

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variation of federal awards to the extent necessary to remove leave loading provisions.

While the Bill may be criticised by those responsible for the State's parlous financial situation as enabling the removal of benefits to which workers have become accustomed over the years, the sad fact is that we as a State, and we as a nation, can no longer afford the indulgence and cost of leave loadings.

We are faced with tough decisions; the deficit must be reduced. Who will seriously argue that it is preferable to reduce employment in State services by thousands more, rather than introducing this simple measure where the burden will be shared by all?

I commend the Bill to the House.

Hon. D. T. WALPOLE (Melbourne) — I congratulate you, Mr Deputy President, on your election to your high office.

This disgraceful Bill has been introduced by a deceitful government. Prior to the election the government told the workers of this State that under a coalition government no-one would lose. That was absolutely untrue. To make that promise and then introduce the Annual Leave Payments Bill is absolutely disgraceful.

Hon. R. I. Knowles — Would you prefer to sack 700 more workers?

Hon. D. A. Nardella (to Hon. R. I. Knowles) — You shouldn't be sacking anyone.

Hon. D. T. WALPOLE — The government has introduced the Bill in the hope that in three years time the electorate will have forgotten all about it; but in three years time we will ensure that they are reminded — —

Hon. W. A. N. Hartigan — We will remind them of what you have done.

Hon. D. T. WALPOLE — The opposition will probably not need to remind them — but you can be sure we will. The Bill is a miserable, mean-minded and cynical abuse of power.

Hon. G. R. Craige — — What about the money you've knocked off?

Hon. LICIA KOKOCINSKI (Melbourne West) — On a point of order, Mr President, I ask that the

comment made by Mr Craige, that Mr Walpole had knocked off funds from the State, be withdrawn.

Hon. R. I. KNOWLES (Minister for Housing) — On the point of order, Mr President, I find it difficult to see how Ms Kokocinski can seek the withdrawal of a comment made by Mr Craige when Mr Walpole did not take objection to the comment.

Hon. Licia Kokocinski — It's unparliamentary.

The PRESIDENT — Order! I do not believe the expression was unparliamentary. The words were, "What about the money you have knocked off?". Mr Craige was obviously not talking about Mr Walpole; he was talking about the previous government. I point out to honourable members that those sorts of statements are made across the Chamber all the time. If that were stopped, we would have no debate!

Hon. D. T. WALPOLE (Melbourne) — The majority of the people who will be affected by the decision would not vote for the conservatives in a fit. The government has seized an opportunity to attack working people in the hope that the impact will have been forgotten in three years time.

Hon. Haddon Storey — Who won the election? How do you think they voted before?

Hon. D. T. WALPOLE — I am talking about the people most affected by the decision. Some of them may have voted for the conservatives, but I am prepared to bet that the majority would not have.

Annual leave loading has been part of awards for the past 20 years. The provision was introduced to compensate workers for the usual overtime and shift loadings they were paid for working shocking hours through the middle of the night.

Hon. Bill Forwood — You don't really believe that.

Hon. D. T. WALPOLE — Having been a shift worker myself I understand what it means to have to work through the night or work rotating shifts.

Honourable members interjecting.

Hon. D. T. WALPOLE — Under the government's proposal, the average wages of shift workers will be reduced because their holiday pay will be less than the pay they receive for working their usual shifts and overtime.

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Hon. G. R. Craige interjected.

Hon. D. T. WALPOLE — You don't understand. Despite having been an official of the Federated Clerks Union, you had the gall to pretend that you represented unionists. You don't understand what it is about.

Hon. G. R. Craige — I do.

Hon. D. T. WALPOLE — Obviously you never properly represented your members.

Hon. G. R. Craige — Absolutely! I know all about it. I know a bit more about it than you do, because you know it was for shift workers only.

Hon. D. T. WALPOLE — Is that right?

Hon. G. R. Craige — It is right.

Hon. Bill Forwood — Remember the flow-on principle.

Hon. D. T. WALPOLE — Some 800 000 workers in this State and their families will be affected by this miserable, mean-minded legislation. Workers rely on the leave loading to go on annual leave and to buy Christmas presents for their kids. What does the government do? It takes it away from them. On the eve of Christmas the government takes away the money from the workers and gives it to the bosses so that they can go to the Bahamas instead of Hawaii and buy better presents for their kids. The employer gets fat on the benefits while the worker suffers.

What would members of the government know about workers? Scrooge would be proud of them. I hope the Ghost of Christmas Future haunts the lot of them. The government has taken a miserable position. Not only is it taking money from the pockets of the workers in the future but it has had the gall to make the provision retrospective! At the request of employers, many workers have not taken annual leave. They have tried to do the right thing by their employers and have stored it up. The government will now retrospectively rip that money from their pockets. It is Robin Hood in reverse — rob the poor and give to the rich.

The misinformation put out by the government is unbelievable. On 2 November when speaking with Randal Macdonald on his radio program, the Premier said that no other country in the world has leave loading.

Hon. G. R. CRAIGE — Who said that?

Hon. D. T. WALPOLE — The Premier, and he repeated the statement that night on the *7.30 Report*. Why can't the Premier tell the truth? I shall quote from the government's favourite newspaper — the *Age*! I know the government does not like the *Age* because it is objective.

Honourable members interjecting.

The PRESIDENT — Order! A bit of hilarity is quite in order but there should not be so much that it drowns out the speaker.

Hon. D. T. WALPOLE — The government would prefer the half-truths and misinformation peddled by that sleazy tabloid, the "Feral-Hun". The *Age* is a little more objective and it states:

Despite popular belief, leave loading is not something unique to Australia. Belgian and Portuguese workers receive four weeks' annual leave with 100 per cent loading and Swiss workers get five to seven weeks with 12 per cent loading. French, Danish and Dutch workers get 30 per cent loading.

Even in nations such as Japan and the United States of America, where there is supposedly no holiday loading, workers often receive a Christmas bonus equal to a week's pay.

In addition to the countries mentioned in the *Age*, Germany has a leave loading of up to 47 per cent, Greece has a leave loading of 50 per cent and Norway and Sweden have leave loadings of 12 per cent.

The government ought to stop peddling untruths about Australia being the only country in which an annual leave loading applies — it is not true. The attack on workers adds up to a reduction of 1.3 per cent of the annual earnings of workers. Many workers in this State can ill-afford to lose that sort of money, particularly the workers in the electorates that honourable members on this side of the House predominantly represent.

Hon. K. M. Smith — Who do you represent?

Hon. D. T. WALPOLE — Ethnic workers and women workers and others.

Mr Stockdale, your Treasurer, said that one man's loading is another man's job.

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Hon. K. M. Smith — True.

Hon. D. T. WALPOLE — I ask: where are the jobs that will be created as a result of the removal of the 17.5 per cent annual leave loading? The answer is that no more jobs will be created; instead, the government will sack 7000 people.

The loss of the annual leave loading represents approximately \$350 per annum for each worker. If one man's loading of 17.5 per cent is another man's job and the loss is \$350 a year, then I guess that is about what you reckon a worker ought to receive in a year; that is about the level you would like to see workers paid at: \$350 per annum. In that context, I guess it could be true that one person's leave loading is another person's job.

Hon. W. A. N. Hartigan — What about the 280 000 that you put out of work?

Hon. D. T. WALPOLE — Listen. You might learn something.

Hon. W. A. N. Hartigan — Explain the 280 000 you put out of work — that would be a start.

Hon. D. T. WALPOLE — Not even your Federal Liberal colleagues are prepared to go down this road with you. Howard and Reith have been distancing themselves and now the Tasmanian government is distancing itself from the measure. No-one wants to know you; no-one wants to come within cooee of this government and what it is doing.

The impact of the Annual Leave Payments Bill on the morale of workers and their productivity will be disastrous.

Hon. Bill Forwood — Rubbish.

Hon. D. T. WALPOLE — You do not understand because you have never worked on a shop floor and have never been in the position of being attacked for the work you are doing. The reaction will be that people will say, "If you are going to pay me less, there will be less work done". That will be the result of what the government is doing. The Bill will not result in an increase in productivity; productivity will be reduced.

Hon. W. A. N. Hartigan — You know about productivity; you lost 280 000 jobs.

Hon. D. A. Nardella — You are going to make it more.

Hon. D. T. WALPOLE — Industrial disputes in this State have been at an all-time low; you are about to fix that up.

Hon. G. R. Craigie — The unions got paid off all the time, that's why.

Hon. D. T. WALPOLE — You would not know.

In his first speech in this House, Mr Brideson said that he is a trade unionist. I suggest that the Bill provides a chance for Mr Brideson to prove that statement. If he is a genuine trade unionist, he will cross the floor on this matter.

Honourable members interjecting.

Hon. D. T. WALPOLE — I do not expect that to happen because Mr Brideson was the president of a yellow union, set up to do the bidding of the Liberal Party and the employers. He certainly will not cross the floor.

The majority of honourable members on this side of the House understand the need for workers to be given their annual leave loading because in the past most of us have had to rely on an annual leave loading. Honourable members on the other side have never had to rely on payments such as an annual leave loading to ensure that they could make ends meet.

Hon. K. M. Smith — They have never invested a cent of their own money.

The PRESIDENT — Order! The Honourable Ken Smith is making it very difficult for the member speaking. I know he is being provoked but he will get his chance after lunch to provoke Mr Walpole.

Hon. D. T. WALPOLE — The level of industrial disputes in this State is at a record low. The number of days lost as a result of industrial disputes under the previous Labor government was lower than in any other State in this country and, indeed, lower than in any other country in the world.

What has this government done? It has made its announcement on this matter and its timing has had the worst impact. When the Trades Hall Council decided to call a stoppage for 10 November it called a meeting of shop stewards and delegates at the Dallas Brooks Hall. That meeting was packed — indeed, there was standing room only — and it was a huge success. It might not have been such a success but for the stupidity of the government in

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announcing on the eve of the meeting its intention to remove the 17.5 per cent annual leave loading. That announcement ensured the success of the meeting last Wednesday and will ensure the success of the rally next Tuesday.

The government may have the numbers in this House and in the other House, but it does not have the numbers outside these walls. Hundreds of thousands of people are angry, and on Tuesday next they will be knocking on the doors of Parliament House. How many government members will have the guts to face them?

Hon. K. M. Smith — I'll be there, mate. I'll stand up for what I believe!

Hon. D. T. WALPOLE — Government members will know all about the anger of Victorian workers next Tuesday. They will know all about it on Tuesday, Wednesday, Thursday and every day of the week until Christmas and into the New Year, because a day will not pass when workers will not let government members know that they think the government is made up of a bunch of bandits and crooks.

Hon. P. R. DAVIS (Gippsland) — I support the Annual Leave Payments Bill. It was announced by the Treasurer on 28 October, as a consequence of the need to find additional money for the State after the downgrading of Victoria's credit rating as a result of mismanagement by the former Labor government.

The Bill will achieve savings in the order of \$80 million per annum. Those savings are necessary because of a total abrogation by the previous government of its fiscal management responsibility. Not only did the previous government spend money it did not have, but it also continued to hide the fact that Victoria was building up an unserviceable debt. Now we are paying the price.

Government members are concerned about Victoria because, unlike the trade union officials and the servants of the Trades Hall Council opposite, they know what it is like to be both employees and employers. Government members have been employees. I have been a member of the Australian Workers Union; I have been an employee; I have been an employer. The issue is: how do we rectify the damage that has been done over the past ten years by the rabble opposite?

Honourable Members — Hear, hear!

Hon. P. R. DAVIS — This initiative by the government is the result of a need to try to manage sensibly the Public Service and the finances of the State. A need was identified to preserve as many jobs as possible, given the current fiscal constraints. The government has determined that this measure will ensure that about 700 public sector employees who would have had to be retrenched, over and above the number that will be retrenched as a matter of government policy, will be able to be retained.

The history of the annual leave loading goes back to 1970, when the Waterside Workers Federation of Australia, which over time has performed a great service for Australia's economic viability, had a leave loading provision inserted into its awards. Between 1972 and 1975 the Federal government picked up on that provision. Mr Clyde Cameron, who at the time was the Minister responsible for the area, now clearly acknowledges it was a stupid decision.

Honourable members interjecting.

Hon. P. R. DAVIS — I have discussed it with Clyde Cameron and he has told me it was a stupid decision. It was a stupid decision that reflects the philosophy of the Labor movement, which is to pay more and do less.

There has been consistent opposition from employer groups to this iniquitous cost that is imposed on employers. Over the years many unsuccessful applications requesting the removal of this burden on employers have been made to Federal and State industrial commissions. That lack of success demonstrates the unresponsiveness and lack of flexibility of the centralised wage-fixing system.

The leave loading was a silly initiative, which, following its introduction in 1970, subsequently flowed to federal and State public sector employees. We are overdue for a change. We have observed the reaction of the community. Although Mr Walpole spoke about having a knowledge of his constituents, I think it is reasonable to say that the majority in this House alone clearly demonstrates that honourable members on this side of the House have a clear understanding of what their constituents think about the issue — by and large, they fully support the government.

The annual leave loading is an impost on employers when staff go on leave and, by definition, are unproductive for a period. At a time when staff are

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unproductive employers must pay them a higher amount of remuneration.

The Bill does not prohibit employers from paying a leave bonus; it simply removes any obligation to do so. Nor does the Bill prohibit the negotiation of an employment contract that includes terms that relate to an annual leave bonus. The difference is that it will be done by agreement. The employer will be able to enter into an agreement with the full knowledge of his particular circumstances and the benefits that will accrue to him from the payment of a leave loading or bonus. That will give businesses the flexibility they need to identify the arrangements that are appropriate for them.

Sitting suspended from 1 p.m. until 2.2 p.m.

Hon. P. R. DAVIS — The Bill was introduced by the government to address the parlous state of the Victorian economy. We know why it was necessary for the government to do that; it was necessary because of the 10 years of mismanagement of the Victorian finances by the Labor government. It is appropriate that the measure has been introduced because if there is a greater identification of reward for effort the Victorian economy will be regenerated.

The Labor opposition should not believe it has a mortgage on what is good for employees. Most members of this side of the House have spent much of their lives as employees. Indeed, I worked for some years on a rotating shift in the oil industry. The opposition may not believe the government understands those issues, but it does.

Hon. D. R. White — Which union were you in?

Hon. P. R. DAVIS — If Mr White had been listening he would know. The government understands the importance of getting the economy and the Victorian public sector into the black.

Hon. LICIA KOKOCINSKI (Melbourne West) — Both the opposition and the trade union movement believe the Annual Leave Payments Bill is a monstrosity. The abolition of annual leave loading will have a far-reaching impact on Victoria, particularly on the workers employed under State awards. Whether or not the government accepts it, the people the Bill will most affect are those at the lower end of the pay scale.

About half the people employed under State awards are women and they are at the lower end of the pay scale. Annual leave loading does not pay for

friperies and luxuries like caviar and champagne; it helps keep the family going.

Mr Stockdale said that one person's leave loading is another person's job, and he made the threat that if the Bill is torpedoed in any way 700 workers will be sacked to make up the equivalent of the leave loading for public servants. That is a distortion of the facts, and blackmail in the extreme. Whether they be attendants in the Parliament, the staff at work in the two Chambers or the gardeners outside, people will not be cowed by that kind of threat. Their wages are quite low so leave loading is very important.

I point to an analysis of the Treasurer's saying that one person's leave loading is another person's job and a clever little twist to it that was outlined by an Age journalist.

Hon. B. N. Atkinson — Where would you be without the Age?

Hon. LICIA KOKOCINSKI — What a terrible Marxist newspaper it is! Because of the sheer weight of the mail it has received, the *Herald-Sun*, which is reluctant to print anything even slightly critical of Mr Kennett and his Cabinet, has been forced to print some of the letters from disgruntled and unhappy people. The Age journalist in question, Tim Colebatch, made an analysis of what is happening in the work force in relation to the cost of labour. The government's argument is that annual leave loading ought to disappear because it is somehow an excessive impost on the cost of labour, but Mr Colebatch points out that while 200 000 people are unemployed in Victoria, in 1991 the chief executives of Australia's top companies received an average pay rise of 12.5 per cent. Many received pay rises taking their salaries to more than \$100 000 per annum, and several received rises taking them to salaries of more than \$200 000 per annum. Since we are talking about the trough faction and the argument that one person's pay rise costs another person his job, I point out that some of the pay rises to members of the government have cost not only jobs but also public servants their annual leave loading.

I return to the article by Tim Colebatch, which further states:

Corporate culture has drifted into a double standard: largesse at the top, tightness at the bottom. Managers are exhorted above all to be "mean and lean": that is, to run their companies with as few staff as possible.

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Hon. B. N. Atkinson — Can you give us the sports results?

Hon. LICIA KOKOCINSKI — It really does you no credit when the non-receipt by an employee of \$300 in annual leave loading at Christmas time may mean he cannot afford to purchase certain goods for his family or have a week away camping. It does you no credit at all. It is that sheer arrogant attitude that is costing you dearly out there at present.

Hon. R. I. Knowles — Where was your passion for the people who were unemployed under your government? Where was your passion then?

The PRESIDENT — Order! It would be much more fruitful to the House if the honourable member were allowed to make her speech without assistance. Other members of the House will receive the same consideration.

Hon. LICIA KOKOCINSKI — There has been some support from various vested interests that have traditionally supported the Liberal Party, such as the Australian Chamber of Commerce and Industry and the Victorian Employers Chamber of Commerce and Industry. The Australian chamber said that annual leave loading was nonsensical and should not be borne by employers. The Victorian chamber said that the measure translated to the Victorian industry would save Victorian companies \$200 million a year and would be of particular benefit because of the approaching Christmas break.

I have news for those Rambos at the Victorian Employers Chamber of Commerce and Industry because that \$200 million will now be out of circulation. It is \$200 million that families who earn their income under State awards will not have to spend.

Hon. Louise Asher — Is this a demand analysis?

Hon. LICIA KOKOCINSKI — This is a demand analysis, Madam, and you should learn a bit more about it. Perhaps you should go shopping with some of your constituents before you shoot your mouth off in such an arrogant fashion.

The chambers of commerce keep saying that it will be good for industry. It will not be good for industry because many small shopkeepers and small businesses in Melbourne and in Victoria will not have that money. Their incomes will be affected.

I refer the House to statistics that may come as a shock. Some 82 per cent of Australia's industrial output is sold internally: it is actually bought by Australian consumers. Of course some of it is exported but the vast majority is created, produced and sold internally. In one fell swoop \$200 million will be wiped off the consumer market.

Hon. Rosemary Varty — Rubbish!

Hon. LICIA KOKOCINSKI — How can it be rubbish? You either have the capital or you do not.

Hon. B. E. Davidson — Rosemary doesn't have it now!

Hon. LICIA KOKOCINSKI — No, she does not. The annual leave loading was introduced in 1970 when the Waterside Workers Federation of Australia requested an annual bonus to reflect the penalties that shift workers and others would have to do without when they were on leave. By 1973 the Whitlam government had brought in a 17.5 per cent annual leave loading for all federal public servants. By 1975 it had become a community standard.

The leave loading is a community standard not only in Australia — certainly in Victoria — but also, as has been said by Mr Walpole, in just about every industrialised nation on this planet. I am not sure whether he mentioned Belgium. I will add to the list of countries he mentioned. Belgium has a 100 per cent leave loading for the whole period of leave. Holland has a bonus of 8 per cent of annual pay. New Mexico has a 25 per cent leave loading.

Hon. Rosemary Varty — Who wants to be like New Mexico?

Hon. LICIA KOKOCINSKI — We do not want Victoria to be like New Mexico. Even it can still afford a leave loading, but the government wants to take away a community standard. Unfortunately, the Italian situation has not been mentioned. My understanding is that virtually a whole month's pay is paid at the end of 12 months service as a leave loading.

Hon. B. N. Atkinson interjected.

Hon. LICIA KOKOCINSKI — Regions in Italy could buy any State in Australia many times over because of their wealth, and still have cash to spare. This has been achieved by strong government intervention and direction.

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Hon. G. R. Craige — Strong government in Italy?

Hon. LICIA KOKOCINSKI — There has been strong government intervention in the Italian economy. I would not laugh. It is one of the strongest economies in the world.

Hon. G. R. Craige — They get two weeks annual leave and no loading.

Hon. LICIA KOKOCINSKI — That is not correct. Since the introduction of the annual leave loading — —

Honourable members interjecting.

The PRESIDENT — Order! We have the ridiculous situation where the honourable member cannot be heard because of noise from her own side of the House. It is counterproductive. Let the honourable member give her speech.

Hon. LICIA KOKOCINSKI — Since the introduction of the annual leave loading in Australia, there have been moves, both at the State Industrial Relations Commission level and federally, to have the leave loading removed because it was purported to result in amazing imposts to employers. Each time attempts have been made to remove the annual leave loading from awards at the State and federal levels, they have been rejected.

In 1983 the Western Australian Industrial Relations Commission refused an application for the abolition of the annual leave loading from the Confederation of Western Australian Industry. In 1986 the national wage case and then the Australian Conciliation and Arbitration Commission also rejected a general application by the Confederation of Australian Industry to abolish the annual leave loading.

One of the reasons suggested for the removal of the annual leave loading from awards was that the impost was huge. In reality, for employers the loss of holiday leave on a yearly basis represents a 1 per cent cut in labour costs. For the workers it represents a 1.3 per cent pay cut. While that does not seem like a lot when it is spread over the whole year, for employees that 1.3 per cent pay cut comes all at once.

Because of the Christmas shutdown — most factories and the majority of sectors close down — workers will have that pay cut all at once. It is interesting that Liberal parties from all over Australia are distancing themselves from these economic Rambos, these economic neo-classical

rationalists, call it what you will, these people in the government who wish to re-write the economic theory to suit their own vision. The Federal Liberal Party and the New South Wales and South Australian Liberal parties have completely distanced themselves from this mob of Rambos. In Queensland the Liberal Party has said that if change is to occur it should be by negotiation and not by some arbitrary decision of a government. In fact, in Queensland the public servants are negotiating for their 17.5 per cent leave entitlement to be taken under some other form by enterprise negotiations. Those negotiations have only just started and the Minister in Queensland has been quoted as saying that change must be by mutual agreement, not by imposition.

I shall place a few salient statistics on the record. In Victoria 200 000 public servants will lose their leave loadings. Multiplying 200 000 by \$300 gives the kind of figure that will be wiped off household incomes. That means there will be less for household spending. Money will have to be found elsewhere for municipal rates, repairs to homes and so on. Of those 200 000, 167 000 are public servants on State awards who will lose their leave loadings immediately.

They include the police, teachers, health workers and the people who work in Parliament, the Clerks, the gardeners and the people with whom I have had a lot of contact, and even the workers in the linen service at what used to be the Royal Melbourne Hospital. They are all under State awards. Not only will they lose their leave loading but 7000 will be paid out this year and next year another 12 000 face the prospect of losing their jobs.

I wonder whether honourable members know which workers are covered by State awards. I shall just read through a list of the unions covered by the awards whose members have lost their leave loadings. I shall include the list in *Hansard* so that honourable members will know where the real people are rather than listening to accountancy jargon that merely balances figures. Many on the opposite side are used to computer programs where they push a button and take a figure from one place and put it in another. They forget that real people are behind those computer programs and numbers.

The unions whose members have lost the leave loading are: the State Public Services Federation of Victoria, the Australian Nursing Federation, the Health and Community Services Union, the Health Services Union of Australia and the union of which I

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am a member, the Australian Health Professionals Association.

The list goes on: the medical scientists and laboratory workers in the clinics will go out because they belong to a union. I also mention the following: Ambulance Employees Union of Australia; Ambulance Administrative Officers Association; Federated Clerks Union; United Firefighters Union of Australia (Victorian Branch); Association of Hospital Pharmacists; Australian Colleges and Universities Staff Association; Medical Scientists Association of Victoria; Victorian Secondary Teachers Association; Victorian Affiliated Teachers Federation; and Federated Teachers Union of Victoria.

Those are not the only people affected. To show the government that the abolition of the leave loading will affect the private sector, as we know it, the list goes on. The abolition of the leave loading will affect unions with State awards and some of those members operate in the private sector.

I speak specifically of the Shop Distributive and Allied Employees Association and the Federated Clerks Union — Mr Craig's former union. The list continues: Australian Workers Union; National Union of Workers; Liquor, Hospitality and Miscellaneous Workers Union; Metals and Engineering Workers Union; Federation of Industrial Manufacturing and Engineering Employees; Electrical Trades Union; Transport Workers Union; Vehicle Builders Employees Federation of Australia; Victorian Catholic Primary Staff Association; Victorian Independent Education Staff Association; Victorian Psychologists Association; Victorian State Building Trades Union; Media Entertainment and Arts Alliance; Federation of Industrial Manufacturing and Engineering Employees; Australasian Meat Industry Employees Union; Bakery Employees and Salesmen's Federation of Australia; Australian Glassworkers Union; Confectionery Workers and Food Preservers Union; and so it goes on.

The list includes the Construction Forestry and Mining and Energy Union; Federated Brick Tile and Pottery Industrial Union; Federated Municipal and Shire Council Employees Union; and the list still goes on.

Also included are the Federated Furnishing Trade Society of Australasia; Federated Tobacco Workers Union; Seamen's Union of Australia; Salaried Pharmacists Association; Association of Professional

Engineers and Scientists, Australia; Musicians Union; Operative Painters and Decorators Union; Plumbers and Gasfitters — —

The PRESIDENT — Order! I think the honourable member has made her point in relation to union support.

Hon. LICIA KOKOCINSKI — It is not union support, Mr President.

The PRESIDENT — Order! My point is that the list of unions has been read to the House by the honourable member for at least 5 minutes. The general point can be made without filling the debate with another list of names.

Hon. LICIA KOKOCINSKI — The list was not meant to show the support for the opposition view but the coverage of workers who will be affected by the abolition of the leave loading.

Hon. K. M. Smith — We will expect to see them out the front next Tuesday.

Hon. D. T. Walpole — You will!

Hon. LICIA KOKOCINSKI — Next Tuesday honourable members will see representatives from that list of unions. It gives me much pleasure to oppose the Bill.

Hon. C. A. STRONG (Higinbotham) — Today all we have heard is waves of rhetoric from the other side; it has been nothing more than picket-line exaggerations. The opposition's approach is typical: it is trying to blame someone else for the touch actions needed to fix up the mess it created. No-one should forget that that is what the government is trying to do: fix up the mess created by the opposition when in government.

This action has been forced on the government because of the debt it inherited and the Moody's Investors Service downgrading of Victoria at the very end of the former government's reign.

If one reads last week's *Age*, one finds that the opposition when in government, and only six weeks before the election, sent a team to the United States of America to persuade Moody's to delay downgrading Victoria until after the election.

Honourable Members — Shame, guilty!

QUESTIONS WITHOUT NOTICE

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Hon. C. A. STRONG — The government has inherited \$60 billion worth of debt from the world's second-greatest Treasurer, and it had to do something about it —

Hon. K. M. Smith — Who is that?

Hon. C. A. STRONG — Tony Sheehan!

The PRESIDENT — Order! Pursuant to Sessional Orders the time has arrived for questions without notice.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

STATE DEFICIT LEVY

Hon. PAT POWER (Jika Jika) — I direct my question to the Minister for Local Government. One local government body has already claimed that it will incur administrative costs of \$65 000 as a result of being forced to act as a collection agency for the government's \$100 Kennett home tax.

Given the Minister's assurance that he has conducted wide and continuing consultation with local government, will he advise the House of the total administrative costs that will be incurred by local government Statewide arising from the forced participation in collecting the inequitable \$100 home tax?

Hon. R. M. HALLAM (Minister for Local Government) — The issue of total administrative cost cannot be determined because it will depend almost entirely on the process that is evolved with each of the municipalities involved. It will depend to a large degree on whether the municipalities have already sent out their rate notices — some have and some have not.

Part of the consultation process has been about the way in which that specific issue can be addressed in this context, given the differences between individual municipalities. That is one of the issues under direct consultation as the House is sitting.

PASSENGER BUS SEAT BELTS

Hon. D. M. EVANS (North Eastern) — The Minister for Roads and Ports will be aware of widespread community concern regarding the need

for seat belts to be fitted to passenger buses. Will the Minister advise what plans are in hand to require buses to be fitted with seat belts?

Hon. W. R. BAXTER (Minister for Roads and Ports) — Mr Evans raises an important issue. Honourable members will recall that over the past several years there have been serious bus crashes in Australia — fortunately, not many of a serious nature in Victoria. Nevertheless, Victoria should not consider itself immune from such a possibility.

The Australian Transport Advisory Committee (ATAC) — which comprises all the transport Ministers from the Commonwealth, the States and New Zealand — resolved at a meeting some time ago that from 1 July 1994 new coaches should be fitted with seat belts.

Some thought that the date was somewhat distant and the matter was raised at a meeting of ATAC and the National Road Transport Commission (NRTC) Ministerial Council meeting in Canberra last Friday. A proposal was put to bring that date forward to 1 January 1994.

It seems, however, from speaking with people in the coach-building industry — that industry is based principally in Victoria and Queensland — that, due to technical reasons, it is not possible to move the date forward because it is a more complex problem than simply fitting seat belts.

There has to be a strengthening of the anchorage points on bus floors as well as the design, building and testing of a prototype of a better seat that will withstand forces up to 20G. I understand seats currently in use can withstand a force of approximately 10G.

Some design, research and development work is still to be done. I asked the question: "Why are we reinventing the wheel? Hasn't all this work already been done in Europe?" It appears not. Australia, with its vast area, has a much higher penetration of long distance coaches than Europe and other places, and much of this work has not been done. It is like the seat belt legislation where Victoria was the trailblazer; it appears that Australia will be the trailblazer in this instance.

The upshot of the discussions last Friday is that the Ministerial Council of the National Road Transport Commission (NRTC) has called for discussions and investigations by the commission to see if it is feasible to bring the date forward to January 1994,

and the Ministerial Council will consider that when it meets in Sydney in March next year and will make a final decision.

WORKCARE CLAIMS AGENTS

Hon. D. T. WALPOLE (Melbourne) — I direct my question to the Minister responsible for WorkCare. It has come to my attention that Industrial Mutual Compensation Pty Ltd, a WorkCare claims agent, has written letters advising all employers to suspend all WorkCare recipients' entitlements as at 30 November 1992. Will the Minister take immediate action to stop this continuous pre-empting of Parliament and dictatorial treatment of workers by claims agents acting on behalf of the Accident Compensation Commission?

Hon. R. M. HALLAM (Minister responsible for WorkCare) — I report to Mr Walpole that I have already taken that action.

LOCAL GOVERNMENT BOARD

Hon. BILL FORWOOD (Templestowe) — Will the Minister for Local Government confirm the government's intention to establish a local government board and outline its intended role?

Hon. R. M. HALLAM (Minister for Local Government) — The government is very keen to ensure that local government has a real say in its own future and some control over its day-to-day operation. That is quite consistent with the general move towards the deregulation of local government which is evolving across Australia. The government intends to establish a local government board to address those initiatives.

The board will have direct representation from the major local government organisations. Indeed, part of the consultation process that has taken place has been on how that representation will be determined and implemented. The board will have direct responsibility for providing advice to government on a number of specific issues, including the evaluation of the efficiency of financial and general management across local government; whether and to what extent assistance should be provided to councils; and investigating possible boundary changes where the support of the community has been demonstrated.

It will also include the responsibility for evaluation of the effectiveness of and necessity for regulations that are bound across local government.

The government intends to give the board specific responsibility to monitor both the introduction and operation of compulsory competitive tendering. We intend that the board shall have a direct responsibility in respect of monitoring and the dissemination of performance measures.

In addition, we have also suggested that the board should provide advice on the definition and supervision of reporting standards. The board will have as a direct responsibility a strong role in the formulation of government policy affecting local government and the evaluation of that policy as time goes by. To ensure that continuing programs across local government are effective it is essential that the board should have a day-to-day role in the monitoring of those programs.

The functions of the municipal electoral tribunals and the Local Government Commission will be absorbed by the new board. Legislation will be introduced to establish a local government board, which I hope will occur during the 1993 autumn session.

The government intends to ensure that the legislation will be prepared in close consultation with local government. Preliminary discussions have already taken place with the Institute of Municipal Management — as recently as yesterday — with the Municipal Association of Victoria and with the Metropolitan Municipal Association — and already some job applications have come across my desk.

The government has been heartened by the response of local government to the proposed establishment of the local government board. I have been delighted to receive such a response not only to the establishment of the board but also to its proposed roles and functions, which were the subject of the question.

Hon. D. R. WHITE (Doutta Galla) — By leave, I move:

That the Minister's answer be treated as a Ministerial statement and be taken into consideration on the next day of meeting.

The Minister's answer was a substantial statement on local government reform.

The PRESIDENT — Order! The previous President, the Honourable Alan Hunt, ruled that whenever issues of substance were raised in

question time, the formal discussion of which would benefit the House, it was open to honourable members to use the procedures laid down to have the issues dealt with under General Business. That is the way this matter will be treated, and it will be placed on the Notice Paper accordingly.

Motion agreed to.

WORKCOVER

Hon. B. W. MIER (Waverley) — Further to the question I asked yesterday, will the Minister responsible for WorkCare confirm whether the government intends to collect WorkCover levies according to annual payroll turnover?

Hon. R. M. HALLAM (Minister responsible for WorkCare) — The government will not be collecting levies from anyone. The Accident Compensation Commission will be responsible for the collection of levies, which will be related to payroll.

Hon. T. C. Theophanous — That's not true; it will be the new WorkCover authority. You don't know your own legislation.

Hon. R. M. HALLAM — If Mr Mier is suggesting some other basis of assessing levies, I can put that to rest. Levies are determined as a percentage of payroll. They always have been, and I suspect they always will be.

COMMONWEALTH-STATE HOUSING AGREEMENT

Hon. K. M. SMITH (South Eastern) — The Minister for Housing has previously advised the House of the progress of negotiations between the Commonwealth and State governments for a new Commonwealth-State housing agreement. Will the Minister inform the House of any further progress?

Hon. R. I. KNOWLES (Minister for Housing) — I thank Mr Smith for his question and for his longstanding and keen interest in the provision of affordable housing for low-income tenants.

Agreement has been reached between the Commonwealth government and the Victorian government for a new four-year Commonwealth-State housing agreement. In part the agreement allows for a significant increase in funds for new community housing projects. Although the agreement is in the process of being finalised and the relevant legislation will soon be

passed by the Commonwealth Parliament, I am pleased to be able to tell the House that today the Federal Minister for Health, Housing and Community Services, Mr Howe, and I announced the provision of an additional \$6.2 million for existing local government and community housing programs.

That will provide grants to 26 local government projects, including the establishment of eight new common equity rental properties and the extension of 25 existing services. I am particularly pleased that those projects have been provided with additional funding. The cooperatives will receive both public and private funding and they will enable tenants to play a role in the management of the services. The tenants are able to gain access to affordable housing and the government can produce maximum housing output from the funds provided.

It is important that the government provide affordable housing opportunities for people on low incomes. In times past the only opportunity for many low-income families and individuals to purchase or rent housing was to look to public housing. Over time the government will seek to provide low-income earners with some choice through the development of a community housing program and the involvement of local government in developing additional housing opportunities.

This announcement not only creates opportunities but also provides additional work for the building industry and, therefore, creates employment, which is an added bonus.

SEAFORD PIER

Hon. B. E. DAVIDSON (Chelsea) — Last week I asked the Minister for Roads and Ports a question about the Seaford pier, but the Minister chose not to answer part of that question. I now ask: will the Minister give an unqualified assurance to this House that the Seaford pier will not be demolished?

Hon. W. R. BAXTER (Minister for Roads and Ports) — I am able to assure Mr Davidson that the Seaford pier will remain intact pending consultations between my Ministry, the City of Frankston, the local citizens and me, in accordance with the undertaking I gave to the public meeting held prior to the State election. I can go no further than that. The consultations have not been held and no action will be taken until they are.

WESTERN RING-ROAD

Hon. LOUISE ASHER (Monash) — Will the Minister for Roads and Ports inform the House on the progress made in expediting work on the Western ring-road so that jobs are generated to alleviate the high levels of unemployment, particularly in the north-western suburbs?

Hon. W. R. BAXTER (Minister for Roads and Ports) — I am pleased to advise Ms Asher and the House that the contracts for substantial projects on the Western ring-road are being let, and work will commence this month on the bridging of the Maribyrnong River and the old Sunshine tip. Those projects will generate at least 150 jobs. Over the next 12 months contracts amounting to some \$90 million will be let, and they will generate thousands of jobs.

By way of human interest, in my advice the crossing of the old Sunshine tip is referred to as a "ground level bridge". If honourable members can contemplate what a ground level bridge looks like, it will be set on 15-metre piles going down into the bedrock.

Hon. W. A. Landeryou — It sounds like a National Party conference!

Hon. W. R. BAXTER — Works in the area will include earthworks for bridges over St Albans Road and the railway line, for which tenders have already closed; and an all-in contract for road and bridge construction, landscaping, noise attenuation, signing and line marking to commence late next year for the section between St Albans Road and Tilburn Road. Tenders will be called in November for bridges over Tilburn Road and the railway line and I expect that work to start early in the new year.

The Western ring-road is important for the economy of Victoria, in creating new enterprises and encouraging businesses to locate in the northern and north-western suburbs. It will take heavy traffic away from local areas, including the area where Mr Nardella lives and that he tells us about all the time.

I am pleased that the work has got under way expeditiously and that a large number of jobs will result from it.

Hon. D. R. WHITE (Doutta Galla) — In light of the answer just given by the Minister for Roads and Ports and in view of the Treasurer's mini-budget statement in which he said that capital works

expenditure would be frozen, can the Minister for Roads and Ports now inform the House which capital works programs have been frozen after the Treasurer's decision? Does that include major works such as the South Dynon link, any part of the Western bypass or any part of the National Rail Corporation initiatives?

Hon. W. R. BAXTER (Minister for Roads and Ports) — The last part of the question from the Leader of the Opposition, relating to the National Rail Corporation initiatives, falls within the jurisdiction of my colleague the Minister for Public Transport and should properly be directed to him.

No decision has been made one way or the other on the Western bypass as funds have not been committed to it.

Hon. R. M. Hallam — They should have been!

Hon. W. R. BAXTER — As Mr White is aware, some week or so ago the government announced the appointment of a project team headed by Mr Howard Ronaldson to overview the project on the basis that the decisions made by the Leader of the Opposition — as the then Minister responsible — and against the wishes of the then coalition opposition, left a lot to be desired. Once that review has been undertaken and decisions on funding have been made, I expect the project to proceed.

NATIONAL FOLK LIFE CONFERENCE

Hon. ROSEMARY VARTY (Silvan) — My question is directed to the Minister for the Arts. I understand that the fifth National Folk Life Conference is to be held in Melbourne this weekend. Will the Minister explain what the conference is about and what the government's involvement in it is?

Hon. HADDON STOREY (Minister for the Arts) — The fifth National Folk Life Conference will be held in Melbourne this weekend. It is an important conference that will be attended by people from a wide range of backgrounds, including people from collecting institutions such as the National Library of Australia, the Museum of Victoria and similar institutions, researchers, members of folk life organisations, and interested members of the public.

It is particularly fortunate that the keynote speaker for the conference will be Dr Richard Kurin, who is

the Deputy Director of the Smithsonian Institute in Washington DC in the United States of America. The Smithsonian is an example of what can be done with folk life organisations. millions of people have been reached through its programs, books and the hundreds of articles that have been written. Honours, even Academy awards and Emmy and Grammy awards, have been awarded to works performed and achieved or researched through the centre.

In Melbourne folk life is important as it is all around Australia as signifying the living, continuous tradition we have. The conference is a good opportunity for bringing together the diverse folk heritage we have from both our Anglo-Saxon background and the other backgrounds of people in this country. The Victorian government supported the conference, and will encourage further development in folk life activities in the community.

PARLIAMENT HOUSE SECURITY

Hon. W. A. LANDERYOU (Doutta Galla) — I ask you, Mr President, as one concerned about the protection and rights of Parliament, whether the activities in this House and another place last night were justified. Was the Parliament under any threat? If so, could you advise members what steps were taken, and could be taken in the future, to ensure the safety of the Parliament?

The PRESIDENT — Order! Yesterday, on Guy Fawkes day, a threat was made to this Parliament. That threat was handled by the Usher of the Black Rod on behalf of honourable members. Advice was received from the protective services officers and, after a search, no bomb was found.

The Legislative Assembly suspended its sitting temporarily and the Legislative Council, after receiving advice, continued with its sitting. I have arranged for a meeting to take place between the Presiding Officers, the Usher of the Black Rod and the Sergeant-at-Arms to review procedures to ensure consistency in the operations of Parliament House and to ensure that members are protected.

ANNUAL LEAVE PAYMENTS BILL

Second reading

Debate resumed.

Hon. C. A. STRONG (Higinbotham) — Before questions, I highlighted the mismanagement of the

previous government, which engaged in lies and deceit to hide the results of its mismanagement. That mismanagement has resulted in a significant debt, which the coalition has inherited and which it is obliged to clean up.

Last week members walked into this place and heard the details of the tax that this government must impose, a tax that is known as the Kirner-Cain tax. We also heard the carping and the moaning from members of the opposition complaining about an inequity in how that tax would be applied and its effect on people who could not afford it. The opposition is demanding more progressive taxes.

The government has now introduced the Annual Leave Payments Bill which will abolish the 17.5 per cent annual leave loading, and the carping continues. If honourable members stopped complaining and thought about it, they would realise the hypocrisy in the 17.5 per cent loading. The abolition of leave loading will not fall on pensioners or on the unemployed; it will fall lightly on those whose wages are low and heavily on those who earn a lot of money. It is a progressive move of the type that the opposition has been moaning, complaining and carping is needed. We have given the opposition exactly what it has been asking for, yet it still complains.

I shall now refer to the details of the Annual Leave Payments Bill. Some of the figures previously quoted by opposition speakers, particularly from the "Bugle of Truth from Spencer Street", were quoted selectively. That is normal.

In fact, the "Bugle of Truth" did contain a little truth. I refer to figures published in the *Sunday Age* of 1 November. Earlier Bangladesh, Mexico and a few other places were referred to as countries where workers received annual leave loadings. Among countries that are members of the Organisation for Economic Co-operation and Development (OECD), workers in Japan and the United States of America do not receive leave loadings and in Germany, the United Kingdom and Italy the payment of leave loadings is a negotiable issue. We are not out of step if we rank ourselves with OECD countries rather than with Third World economies that have been driven into the ground.

The latest figures on bankruptcies, published in today's *Age*, show that the number of bankruptcies in Victoria is expected to increase by 28 per cent in 1992-93 over last year. That is a legacy of the way the former government drove the economy into the

ground and plundered the State during the past 10 years. Bankruptcies currently affect some 4080 companies. If, on average, those businesses employed 10 people each it is clear that 40 000 jobs have been lost. Like my colleague Mr Davis I have worked for a salary and have also been an employer.

As Christmas approaches one of the key things a small businessman must do is find the money to pay holiday leave loading. The requirement to pay leave loading inevitably drives a significant proportion of businesses into bankruptcy. The figures I have quoted demonstrate that the implementation of the provisions in the Bill will save jobs.

The Bill simply removes any obligation to pay annual holiday leave loading; it does not, and cannot, remove any agreement between an employer and an employee. If agreement is reached for an employer to pay a loading, that can be done. The Bill simply removes the compulsion and provides a choice for people about whether they make the payment.

If the annual leave loading is as wonderful as honourable members opposite would have us believe, and has wonderful effects on productivity, causing it to go through the roof, there is no reason why such payments cannot be made. The right to make payments is not removed by the Bill. If an annual leave loading will achieve the results the opposition claims for it there is no reason for us not to use it.

Annual leave loadings were first introduced for waterside workers in the 1970s. Today waterside workers receive a 27.5 per cent loading on their five weeks annual leave and a 27 per cent loading on their 13 weeks long service leave. One of the gurus of the Labor Party in Western Australia, the now somewhat discredited Brian Burke, said when he was Premier of that State that the economy of Western Australia could not afford those sorts of payments — Victoria's economy cannot afford it either!

The Bill will reduce Victoria's debt and make it more productive. I commend the Bill to the House.

Hon. D. A. NARDELLA (Melbourne North) — This scrooge government is creating a scrooge Christmas for Victorians.

An Honourable Member — Who wrote that?

Hon. D. A. NARDELLA — This government, with a born-to-rule mentality, is taking away workers rights and entitlements! The government will be putting a lot of families under pressure. The Bill provides that from 28 October those people who have anticipated annual leave loadings and who have not taken leave will lose the loading. There has been no opportunity for negotiation or choice about that provision.

Hon. K. M. Smith — — What about the 280 000 jobs you lost?

Hon. D. A. NARDELLA — The government has done that to improve the pay and conditions of some members on the other side of the Chamber. Mr Smith does not like what I have to say because he is a beneficiary.

Many people have budgeted for their annual leave loadings at Christmas time. They plan to use the loading to go on holidays or to buy presents for their children. In the past I have used my annual leave loading to buy presents for my children. The government is placing many families under pressure. It did not go to the umpire to decide this. Many times it has been put to the Industrial Relations Commission that the loading should be removed, but the commission has said that the annual leave loading will remain because that entitlement has been in place for a long time.

The government did not take this matter to the commission; it has not put a credible argument in support of its removal. The government did not discuss the matter with anyone in the community — apart from its mates and some employer organisations. It did not inform the community about its plans because it does not believe in following the umpire's directions any more. It made a unilateral decision and introduced this legislation, which provides for the removal of the leave loading.

The coalition should have told the people before the election that it was going to remove the annual leave loading.

Hon. Bill Forwood — What about the \$1.2 billion?

Hon. D. A. NARDELLA — The government does not have a mandate to remove this loading. I have a coalition leaflet that was authorised by P. Georgiou, 104 Exhibition Street, Melbourne.

Hon. K. M. Smith — He is a good man.

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Hon. D. A. NARDELLA — The leaflet says:

The real truth about your job.

This is the coalition's industrial relations plan for Victorians. It says:

no person in employment will suffer any loss of award wages or conditions;

The coalition made that promise but now that it is in government it is getting rid of the annual leave loading. Employees will lose award wages and conditions.

What is this? The government is getting rid of annual leave loading, which means the loss of award wages and conditions of employment. The government promised that it would not get rid of employment and entitlements. Now it is doing it. How deceitful is that! The government lied to the electorate.

The government's federal colleagues are running away at 100 miles an hour. If the government wants to get rid of annual leave loading it should negotiate it. It should go to the various tribunals and try enterprise bargaining, which I do not believe it understands. Certainly some members of the government do not understand it. They should negotiate it not unilaterally through legislation, which is the big sledge-hammer approach, but through negotiation at the enterprise bargaining level or through the Industrial Relations Commission. What does the Federal opposition think?

Hon. K. M. Smith interjected.

Hon. D. A. NARDELLA — They hate you! Do you want to know why? One of the issues that will get Labor elected at the federal level is this policy! I will be waiting for your 5 minutes, Mr Smith.

Hon. K. M. Smith — That's all I need to demolish you!

Hon. D. A. NARDELLA — Your federal colleagues are running away at 100 miles an hour. Dr Hewson, Mr Reith and Mr Howard are running away because they realise you are bringing discredit to yourself and to the entire Liberal Party in the lead-up to the federal election. They know they will lose seats in Victoria. You may not believe it now, Mr Smith, but your federal colleagues will lose seats because of this type of legislation. You are not letting

people know what you are doing; you are not consulting with people in your electorate. The federals are running away from you. There has been no debate in the community about this issue.

Hon. K. M. Smith — There has!

Hon. D. A. NARDELLA — The only time there is debate is when something is announced. When I listen to the radio station 3LO I hear the comments of people who ran away from Eastern Europe and think they are back in it again. The grey-haired set in the electorate is talking about dictatorship. That is not my word. The other morning while listening to 3LO I heard a woman talking about leaving South Africa to get away from the dictatorship. Now she feels she is back in South Africa because of this type of legislation. She does not want to go back to that sort of situation. One can obtain from the Parliamentary Library transcripts of radio programs, so honourable members opposite can find out for themselves that these are not my words.

Hon. K. M. Smith — That's absolute rubbish!

Hon. D. A. NARDELLA — They are the words of ordinary constituents. I have invited honourable members on the other side of the House to go to their electorates and try to explain what they are doing.

Members of the government should quickly arrange public meetings and tell their constituents, "Look, as a result of what the previous government did this is what we are doing to you; but in the process of taking away your annual leave loading we will give ourselves a pay rise". Mr Smith is shaking his head.

Hon. K. M. Smith — You're shameful, you really are!

Hon. D. A. NARDELLA — Next Tuesday there will be a number of people outside Parliament demonstrating against this Bill and other government policies. I invite honourable members opposite to go out and address them.

Hon. K. M. Smith — How many will be there?

Hon. D. A. NARDELLA — I am certain there will be 10 000, 20 000 or perhaps 100 000. They will want to hear the views of government members.

Hon. D. R. White — Are you coming out, Smithy?

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Hon. K. M. Smith — I'll be there. I'll be standing on the steps.

Hon. D. A. NARDELLA — I am glad Mr Smith said he will be out there next Tuesday.

Hon. K. M. Smith — I'll be there to swell the crowd!

Hon. W. A. Landeryou — You will take up a row on your own!

Hon. D. A. NARDELLA — The Bill will affect the vast majority of blue-collar workers in my electorate who are employed under State awards. They are the people you are supposed to represent, Mr Smith, the family people. You go on about family people all the time. They will be affected by this Bill. At Christmas time not only will the abolition of annual leave loading affect those families — Mum, Dad and the kids — but it will also affect the rest of the economy.

Over a number of years the coalition has voiced its concern about retrospectivity. It is a word that rolls easily off the tongue! The coalition has fought against it for a long time, at both the federal and State levels. Whenever there have been debates in Parliament on anything to do with retrospective legislation coalition members have voted against retrospectivity.

Hon. W. A. N. Hartigan — Your borrowings have represented a retrospective tax. Think about that.

Hon. D. R. White — Hi ho, it's Corio Silver, Geelong's finest product!

Hon. D. A. NARDELLA — There have been major debates in the Federal Parliament on bottom-of-the-harbour legislation.

Hon. B. N. Atkinson — What is retrospective in this legislation?

Hon. D. A. NARDELLA — There have been debates in the Federal Parliament and debates here on this matter. What does clause 5 of the Bill say? If people take their holiday leave after 28 October, under clause 5 any annual leave loading that they may have accumulated is abolished. That is retrospective. People worked for that entitlement. Part of the government's philosophy is that if people work for something they should be able to keep it, but what has the government done? It is taking away something that people have worked hard for, have busted their —

Hon. B. N. Atkinson — Backside!

Hon. D. A. NARDELLA — They have busted their backside to get that — I intended to say something else, but I will not now.

How deceitful that is. Some of my colleagues in the trade union movement — I have some colleagues in the trade union movement — have received calls from people saying: "I have done the right thing by my boss. I have worked through when I have been eligible to take leave because my employer needed me, as it was a busy time. It was very difficult for me to take leave". Some people have accumulated annual leave entitlements for working periods of more than 12, 24 or even 36 months and the equivalent in annual leave loadings.

Hon. W. A. N. Hartigan — Which industry was that?

Hon. D. A. NARDELLA — This was in the hospital industry, Mr Hartigan. It is a prime example of what occurs when, because of the pressures, people have to continue to work instead of taking their annual leave. These people are not the doctors, who take their annual leave, but the workers in the hospitals, the linen workers and those who provide paramedical services to the community, who have done the right thing by their bosses and their community. Now both the Liberal and National parties are saying to these people, "You have done the right thing, but we will take your leave loading from you". Government members have not even flinched.

This action is disgraceful because it brings the Parliament and government into disrepute. It is not an action for which the government has a mandate whatsoever. The government is not doing the right thing. The government will knock off the leave loading for many people whom I represent; it will mug them, as has been said before.

How do the government members feel about this? Are they happy? Is it a good feeling? What would they feel if they were earning the average wage of \$504 a week? People would have been looking forward to their holidays at Christmas time and to buying some presents for their children or parents, perhaps even going away — and then this happens; the loading is gone. I know how I would feel if I had worked for 12, 24 or even 36 months only to lose my leave loading. I would be very angry, very disappointed, and I would feel let down by a

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government that possibly I had voted for and supported.

The Bill is a disgrace. It lets down all these people. There will be public outrage next Tuesday. What does the legislation cost the workers? Government members in both this House and the other place have said that within the Public Service this financial year the change will cost employees \$40 million. The cost for a full year will be \$80 million. The government is taking money out of their pockets. It is taking away an entitlement. As my colleague Ms Kokocinski said, the effect of this on the person earning the average weekly wage of \$504 will be a loss of \$352.80 for four weeks of annual leave or 12 months of work. The full cost to the Victorian community is \$282 million. That will be ripped out of the economy.

The public sector has 800 000 workers under State awards. Quite a number of workers are in the private sector. The government has taken \$200 million — not a small amount — in one fell swoop. The cost will be not just \$200 million; another aspect has not been calculated. Previous annual leave loading that has accumulated is not to be paid. The government has stolen that as well.

How will it help the economy if the government takes \$200 million from wives and children, from families, come this Christmas? There will be a windfall to private industry. It will not only reduce the average gross wage bill by 1.3 per cent; also the annual leave loading would have been included in cost calculations and estimations. A number of members on the other side of the Chamber would understand how private industry operates. I was in the metal trades industry and was employed as a contractor for a while. When I estimated a job, the estimate included the annual leave loading and other oncosts. If an employer is any good and has some management skills — that is one thing I want to discuss in this House some time in the future — he ought to put money aside for the time when the holiday leave loading has to be paid. In that way the money will be ready and waiting.

Hon. D. T. Walpole — It was there.

Hon. D. A. NARDELLA — It still is there.

The legislation will take it away from the people. This will be a windfall for industry. The fat man will get fatter. They are not my words; they are the words of the Premier. He said the fat man had to get fatter so that the thin could become fatter or fat or

something like that. The fat man will get fatter but by what mechanism will he get fatter? He gets fatter because he is taking away from the workers, from the people he employs. That will do absolutely nothing for the creation of jobs within the economy. Not one job will be created through the annual leave loading being abolished. All it will do is line the pockets of the government's mates.

The effect should be examined in macro-economic terms. More than \$200 million will be taken out of the economy at a critical time for the retail industry; that is, Christmas time when most people take their holidays. I usually took my holidays then because of the various things that occurred within my industry. At Christmas time there will be a lessening of consumer demand because, instead of going out and buying four or five toys for the kids, or single toys in specific price ranges, people will look at their budgets and say they cannot afford to do so. If they want to go on holidays as well they will have to buy less expensive toys.

Consumer demand is something the government has been espousing through its Budget and other measures both here and in the other House. The abolition of the leave loading will immediately cause consumer demand to decrease. If the 17.5 per cent loading was to be part of workers' holiday budgets, its removal will affect not only the retail sector but also the workers. I know I included it in my holiday budget, as did many of my constituents.

The other area that will be affected is tourism, a growth industry the government wants to promote. This measure will mean less money in the economy at the critical time when ordinary workers are going on holidays. I hope the government can explain to the hoteliers, caravan park owners and the other people it is supposedly supporting that it is taking money out of their pockets. Many of the small businesses that the government has so much concern about and is supposedly living and breathing for are the ones that will be hurt. The government will take money away not only from families but also from those small businesses. That is one of the things that will occur in macro-economic terms.

The other effect is that if money is taken out of it, the economy is depressed. The only effect the abolition of the leave loading will have is that this Christmas \$282 million will be removed from the economy. It will decrease the living standards of ordinary workers.

I do not think government members understand that it also creates distrust between the community and the new government. I spoke previously about breaking promises and not having a mandate. The distrust the community now has for anything the government does is unbelievable. After two weeks of Parliamentary sittings the distrust the government has created is immense. Many governments have honeymoon periods after obtaining office. Others have to make hard decisions, but not many governments are distrusted so early in their terms of office as this one is. Distrust has built up in the community during the past two weeks, and that is only one month after the election. That is very sad. Before the election the government promised to do a number of things that would build up confidence in the community.

It said it would work towards the interests of all Victorians. It is now building up distrust, disharmony and confrontation in the community.

The government has made a number of claims in this House and in the other place that Victoria and Australia are the only places in the world that have the annual leave loading. That is not the case. It has been pointed out by honourable members on my side of the Chamber that the 1.3 per cent of total gross wages that we pay in annual leave loading is small compared with the amount paid in a number of other OECD countries.

The government is arrogant. It is the first government since 1929 and the early 1930s that has cut the wages, conditions and entitlements of workers. When Niemeyer came to Australia in the 1930s he foisted upon the government of the time a policy of cutting and slashing workers' wages.

Did that help the economy of the country? Of course it did not! It moved the country further down the ladder of depression or recession. The government's policy, and the present community environment in which it is displayed, will mean problems for the Victorian economy.

The entitlements for many Victorians have been slashed retrospectively. Mr Davis spoke about the jobs of 7000 public sector employees being saved through the abolition of the annual leave loading. I am unsure where he takes his figures from but if the government were really concerned about the State's economic situation and the unemployment problem about which other honourable members speak, it would not implement economic strategies that are all about sacking people and putting them on the

scrap heap, including those I have worked next to all my working life. The government is on about putting people on the scrap heap. It should not be all about putting the ordinary battler into destitution. The government has no credible economic strategy because that would hurt. It has no economic strategy to lift Victoria from the recession. Why are we in this economic situation?

Hon. B. N. Atkinson — This will be terrific! Tell us about the Bankcard government!

Hon. D. A. NARDELLA — All you need look at is the world economic recession at the moment.

Hon. P. R. Hall — Blame everyone else.

Hon. D. A. NARDELLA — Don't take my word for it.

Hon. P. R. Hall — We don't take your word for much.

Hon. D. A. NARDELLA — Look at the OECD figures and the unemployment figures in England. Look at what Mrs Thatcher and Mr Major have foisted on that community. England is facing 14 per cent unemployment. All the economic gurus talk about the economic recession that has affected England and the United States of America affecting Australia. The removal of the annual leave loading will not help.

It is fallacious to argue that the abolition of the loading and the implementation of other changes — including the sacking of many people — will take us back to full employment and economic recovery. It has not worked elsewhere and it will not work in Victoria.

This type of legislation will directly affect the living standards particularly of women; it will affect the single mothers and those trying to make ends meet. Ms Kokocinski hit the nail on the head when she said that many mothers are struggling to make ends meet. Now they are slugged with extra taxes and charges, increased car registration and — if they happen to own modest units or houses — they must meet the additional \$100 Kennett home tax. On top of everything else, if the single female or mother in the community has been able to look forward to taking her holiday entitlements, now she will miss out on them, too. Women are among those in the community who will be hurt the most. The abolition of the leave loading will be another straw on the camel's back!

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Mr Strong, who is not in the Chamber at the moment, raised a number of points in his justification of the abolition of the annual leave loading. He talked about the downgrading by two rungs of Victoria's credit rating by Moody's Investors Service. Let me put the record straight: the Treasurer announced draconian measures designed, he believes, to put the Victorian economy straight. After giving assurances to the markets and to Moody's, and after undermining the State economy during the past two and a half years, he raises taxes and charges.

According to the Treasurer's strategy — including telling everyone about his policy of hurting Victorians — he went to Moody's and discussed the situation, but did not fight hard enough. He is supposed to be Victoria's representative and should be looking after the Victorian purse strings. He did not handle that successfully. After their meeting Moody's downgraded Victoria two rungs. It cannot be said that the downgrading is a reason why the annual leave loading should be removed because a strong government and Treasurer would stand up for Victoria. Further downgrading is likely unless the government's representations to Moody's are improved.

Mr Strong also talked about choice. The coalition parties are always talking about choice but what choice is there when government departments, hospitals and other public sector institutions say, "Your annual leave loading has been removed"? There is no choice and absolutely no room for negotiation.

Managers have directed that the annual leave loading not be paid to their workers after 28 October. The matter will not be negotiated. One can talk about choice and negotiation, but it is not happening in the real world. Most people in the work force have been protected by awards and standards set by the trade union movement. The annual leave loading is one of those standards. Many workers have been able to negotiate on a one-to-one basis and the unions have protected them through the award system. The unions have the expertise to deal with employers.

I urge the House not to support the Bill.

Hon. B. W. BISHOP (North Western) — I congratulate you, Mr Deputy President, on your elevation to your position and know that you will carry out that position in the manner to which the House is accustomed.

A strong suggestion has been made that the government is showing arrogance by introducing these measures. It is with a heavy heart and regret that the government is having to debate issues such as annual leave payments to correct the direction of this State.

Mr Nardella said that the Bill is being introduced now so that in three or four years people will forget about it. The State is in such a mess that in three or four years the community will still remember the difficulties. The government will remind them of the problems from time to time. If these measures were not put into place the State would be cut off from the rest of Australia.

An honourable member said that the government is looking to hurt the people who did not vote for it. That is missing the point. We all have to bear the pain for the responsibility the government has now picked up. The government will represent everybody in Victoria — employees and employers. There is nothing wrong with an employer promoting growth to solve the unemployment situation. There are 280 000 unemployed in Victoria — the worst situation for 60 years. What a mess! What a shame!

It reminds me of a leading politician some time ago who, in reply to an interjection of "Even if you were the Archangel Gabriel, I wouldn't vote for you", replied, "If I were the Archangel Gabriel you wouldn't be a constituent of mine". The government represents all the people, not only those who voted for it.

Victoria not only has a huge debt but also it is apparent that it is spending more than it earns. The State has borrowed to make up the deficit. When elected the government lifted the curtain and found that the economic situation was worse than it thought. It was a little like Goldilocks and the three bears. I have no difficulty working out who the leader was of the three bears, my problem is with Goldilocks: who is the second best Treasurer in Australia?

The strong measures that the government will put in place will not completely alleviate the problems. This year Victoria will still have a current account deficit of \$936 million. If the government continues taking responsible measures the deficit next year will still be about \$500 million. It is a long-term process.

The choice between retaining the annual leave loading and removing it was about people. It is with remorse that the government has had to remove it. Public servants have been caught in the net. The government is having to deal with the financial mismanagement of the previous government and that mismanagement has had consequences for loyal workers.

The parlous situation that the State is in has flowed to other areas. There are 280 000 unemployed. The self-employed have been driven out of business by the economic situation. We have heard about shift workers. I represent in my province primary producers who would if they could work 25 hours a day eight days a week and they have never received the 17.5 per cent holiday loading. Many have not been able to afford holidays over the past few years. Some people have said that it was a false system. We all remember Clyde Cameron, an honest man who faced up to the problem that he, as a Minister in the Whitlam government, had created by introducing the 17.5 per cent holiday loading and said, "It was a stupid decision". It was an interesting comment and one that must embarrass the opposition. Years ago I wondered why Australian employees received a 17.5 per cent loading. When I was told that the reason was because employees would not be able to earn overtime while on holidays, I was concerned at the inequity of the system as many people do not work overtime at all.

In my previous employment I travelled substantially, particularly internationally. Many of my friends in international businesses were surprised when we talked over dinner about situations in Australia. They said, "I understand you deduct workers 17.5 per cent holiday pay." I said, "No, we pay them 17.5 per cent more". They were staggered. Those international people are responsible people; they are not our friends, they are our competitors. They are productive and their economies are geared to be productive and competitive against Australia. Australia's national competitiveness is at its lowest level for many years.

Hon. D. A. Nardella — Mr President, I direct your attention to the state of the House.

Quorum formed.

Hon. B. W. BISHOP — The people I spoke to overseas worked in businesses that were internationally competitive. Australia has failed dismally and its productivity is at the lowest level. The discipline that our overseas competitors have is

productivity that is affordable to them. Likewise, we must develop productivity that is affordable to the government and to business. Make no mistake, the annual leave loading is a cost on government and on industry, which has been on its knees during the past 10 years because of the economic mismanagement of the Labour government. Without the tough decisions and the courage this government has displayed in putting measures in place the State would be on its knees.

Honourable members referred to the industrial disputation predicted for next Tuesday. It should be put on the record that any industrial disruption will ensure further job losses and a further blow-out of Victoria's debt, and it is irresponsible for people to suggest otherwise — it will cost Victoria many millions of dollars.

The government has made tough decisions and shown leadership, not just in the public sector, but also in the private sector, where some of the measures are not mandatory.

The State is living beyond its means. I refer again to Goldilocks and the three bears. As I said, I have no difficulty working out who is the leader of the three bears, but who is the second-best Treasurer of Australia! Victoria is spending too much and is leaving a legacy for our children for which they will not thank us. Some time tonight in Victoria a young girl will be born. When the nurse puts the plastic tag around her wrist she should also give her a bill for \$13 000 or \$14 000, because that is what she owes, as does every man, woman and child in this State.

These measures will bring Victoria back to better days. The legacy we should leave our children is of a forward-looking State that will contribute to the nation. The Bill will assist in dragging Victoria out of the mire and putting it on the right track so that our children will be proud of the State and proud of us.

Hon. D. E. HENSHAW (Geelong) — The government is suffering from a phobia about annual holiday leave loading. The intensity of the phobia is such that it has overwhelmed its objectivity and reasonableness. There is merit in annual leave loading. Some members of the government would concede that, where a worker is normally paid a penalty rate or overtime allowance, his ordinary pay during the period of his vacation would be lower than the average pay that his family is accustomed to, and that is where the concept of a leave loading developed.

The government has not taken the reasonable course of allowing that portion of the holiday leave loading to proceed. It could have drafted a measure that would have allowed credits for the leave loading to be granted from a particular date as income above the ordinary rate of pay. That would have covered workers who are justified in having a holiday leave loading. However, the government was not interested in being reasonable.

The government could have stipulated that the accumulation of further credits of leave loading would cease from a particular date, but it did not do that. It has not only stopped further credits of leave loading being accumulated; it has annulled the accumulated credits. That is a retrospective measure which is contrary to the traditions of this place.

I have a constituent who has nine weeks leave to her credit. She planned to take the accumulated leave this month and have a holiday with her family, but she will have to give up those plans or make arrangements with a financial institution.

It may have been reasonable to annul further accumulation of credits at a particular point in the future, but that would be contrary to the suggestion by Mr Strong that future arrangements for leave loading will have no force. It would have been possible for employers, employees and the unions to negotiate and enter into a productivity agreement in exchange for the annual leave loading, but that proposition has been banned. The phobia has been driven by the desire to transfer payments from workers to employers.

The measure will not stimulate the economy. The transfer of income takes place during the Christmas period, which means that employees will have less money to spend and so consumer expenditure will fall. The employers will gain no benefit from their windfall because consumer demand will be reduced. What is the logic for giving employers this windfall payment in the form of accumulated annual leave loading credits? The reality is that the government's phobia will not generate economic activity, but will cause dismay and uncertainty within the community as well as disrespect for the government.

I oppose the Bill. It could have been drafted more reasonably to fit in with the government's objectives, although I may still have argued against the measures.

Hon. W. A. LANDERYOU (Doutta Galla) — This Bill has nothing to do with the issues that the

government is supposedly addressing. It is about the ideological positions of those who are driving the government. It is implementing measures that people in other walks of life, through arbitration and other institutions, failed to achieve. These people are using this measure as a means of creating an image that they are a high-taxation, low-wage policy government. The coalition will be condemned because the proposal reaches into the pockets of all workers who fall under its control and takes out 1.3 per cent of their wages. The measure is a wage reduction because it is taking money away from workers without arbitration or a principled decision.

The coalition is being driven by a Treasurer with a narrow ideology. Fancy referring to the issue as being in the workers' interests when it is a cut in pay and has nothing to do with the Budget!

The measure was included in the Treasurer's speech. It did not come from the lips of the Minister for Industry and Employment; it came from the lips of the Treasurer, the very same man who acted as a suck for employers and who appeared as an employer advocate before the Industrial Relations Commission time and again in an attempt to persuade tribunals appointed by Federal governments of both political persuasions that annual leave loading should be reduced.

The announcement by the government of its intention to interfere in the industrial processes that have been developed over more than a century will be seen by the trade union movement as a signal to take action to protect the rights and hard-won conditions of Victorian workers.

It is one thing to say that the industrial relations system needs to be restructured, as it has been time and again over the past 100 years as governments have used legislative influence to correct what were seen as unjust situations. But it is another thing to say that the industrial relations club has developed to such an extent that legislation needs to be introduced to interfere in its operations.

The concept of annual leave loading may not be embraced by all sections of the Parliament, let alone all sections of the community, but it must be seen in its context. Annual leave loading, which in the main applies to wage and salary earners, is part of a wider package. When it is looked at in those terms, its abolition amounts to an immediate reduction of 1.3 per cent in wages and salaries. The issue is not simply about workers going on leave or families working out their Christmas spending. It is about

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reducing the wages and salaries of Victorian workers. That is what the Bill seeks to do.

It is important to understand the concepts underlying what the Bill seeks to abolish. When the annual leave loading entitlement was first inserted into an award — the waterside workers award — by consent in the middle of 1970, it was hardly a world first. As other speakers have said, the concept of annual leave loading had been developed throughout the world by that time.

One of the best industrial traditions of this country, the tripartite fixing of wages and salaries, was initiated in this Chamber more than 100 years ago. The system introduced was based on commonsense and the need to involve employers, employees and independent chairmen in the fixing of minimum levels for the price of labour.

The Victorian wages boards led the country in the settling of industrial disputes. It is a matter of fact that the Victorian wages board system led to fewer industrial disputes than any other system that has been devised. The wages boards often led the way in innovation, simply because commonsense and conciliation were brought to bear rather than punitive Parliamentary penalties. That was its motivation. I have long admired the Victorian wages board system and have spoken and written about it many times.

Parliament is being asked to embrace a completely new philosophy by taking away the rights of some and reinforcing the rights of others: Parliament is being asked to penalise the vast majority of Victorians for the benefit of the few. That has long been the traditional practice of the political right in Victoria. But in the end, just as previous conservative governments have been forced by the sheer weight of industrial action and public opinion to back away from ill-considered action, this government will be forced to back away from its assault on the living standards of Victorians.

It is one thing to say that the government has been left with a legacy it believes it has inherited. It is another thing to force the people who are least able to carry the burden to bear more than their fair share. The government is doing so at a time when increases in executive salaries have far outstripped not only the rate of inflation but also the almost depressing decreases in the level of wages and salaries.

The Bill has been introduced at a time when already highly paid executives in the private sector have been granting themselves massive increases and when the government has announced dramatic increases in salaries for its senior public servants. At the same time the government has announced measures that will send 7000 public servants to the wall and will reduce, to the extent that the government is able to do so, the take-home pay of ordinary Victorian wage and salary earners by abolishing holiday leave loading.

As I said, the waterside workers agreement that was reached by negotiation in the middle of 1970 was the first instance of the inclusion in an industrial agreement of holiday leave loading. That was the catalyst for the inclusion of holiday leave loading in a series of collective bargaining agreements registered with the commission, with the encouragement of people on both sides of the wage-fixing system.

By the time of the 1971 annual leave case, the Australian Council of Trade Unions advocate at the time, Bob Hawke, who was later to become the Prime Minister of Australia, was able to cite some 50 federal awards and agreements registered by the commission that provided for annual leave loading payments of one sort or another.

The entitlement became increasingly more widespread and common to all agreements until 1974, when arbitration decisions were first used to extend holiday leave loading to awards generally. It is important to understand the motivation of the Conciliation and Arbitration Commission, which said it was not prepared to arbitrate on the matter, instead urging the parties to abide by the decisions of the umpire.

I grew up at a time when the weird and wonderful Henry Bolte was the Premier of the State. He always told us to take our industrial grievances to the umpire and to abide by his decision. Even Sir Robert Menzies was known to have sent an industrial dispute or two off to the umpire for his decision. In those days the decision of the umpire was that the parties should look at the calculation of annual leave loading on that basis.

The central thrust of my argument is that nothing that constitutes a labour cost, or the cost of employing someone, can be seen in isolation; it must be looked at as part of the overall picture.

The government cannot say that because something is seen to be an affront to its ideology it must be done away with, because that affects the incomes and financial status of the people who are supposed to benefit. In other words, wages and the on-costs associated with them can be measured by both sides of the equation — but in this case the concept involved is atrocious.

The government is not even prepared to run the risk of losing its argument by putting it before the umpire. It is simply using its numbers in both Chambers to interfere with the wage packets of those employees covered by the legislation. The salaries of those workers will be reduced by 1.3 per cent.

At the time annual leave loading was introduced the then Conciliation and Arbitration Commission had in mind that it should include over-award payments for ordinary hours of work. In the early 1970s this country had to go through an arbitration process where minimum rates of pay for workers were set and large over-award payments were made outside the industrial wage-fixing tribunals. The Conciliation and Arbitration Commission was mindful of that and had regard to it in formulating its principles.

The commission determined that parties should have regard to normal shift work premiums and leading hand, first aid, tool and other allowances. Those allowances that were not included by the Full Bench of the then Conciliation and Arbitration Commission were overtime payments and travelling, disability, car and meal allowances.

In order to understand the rationale behind the points argued at that time — and which the government by sheer weight of numbers will interfere with — it must be remembered that it was inequitable for workers to receive only minimum award rates when they were on annual leave because most workers received more than their ordinary award rates each week.

At the time there was a great deal of debate about payment in accordance with the roster. It was argued that workers who were paid certain amounts of money during their 49 working weeks should be able to go on annual leave anticipating the same income. If an annual leave loading was not introduced, the weekly incomes of workers when they went on leave would have declined. The commission acknowledged that point, which was so

well argued at the time by the advocate for the Australian Council of Trade Unions.

I underscore the point mentioned by other honourable members that the income workers receive during the working week becomes the amount they expect to receive; it becomes the amount workers and their families budget for in order to meet commitments for essential and necessary goods and services.

The concept of annual leave is that it is a time for recuperation. Workers frequently spend far more money when they are on leave than they would spend in a normal week. It is not just a question of travelling — many workers cannot afford to travel during their holidays — it is simply a matter of spending more money on entertainment and enjoying their recuperation. That is a concept most members of Parliament would understand and support. Annual leave is aimed at refreshing the work force so that productivity is increased on the return of workers to the workplace.

At the time the decision regarding annual leave was made it is significant that the commission acknowledged the importance of the conventions of the International Labour Organisation in respect to the points I have just made.

I shall amplify another point made earlier in the debate that was picked up by one or two members of the government. This country is hardly unique in its approach to awarding additional holiday pay benefits or bonuses at the time of annual leave. It is a matter of fact that more than one-third of OECD countries provide such entitlements. As I have said, Australia has a 17.5 per cent annual leave loading. Belgium has a 100 per cent loading for the entire period of annual leave — in other words, a worker receives double pay while on holiday.

Another issue alluded to earlier was the fact that the Bill represents a 1.3 per cent reduction in the salaries of workers under State awards because leave loading makes up 1.3 per cent of those salaries. I shall refer to figures from other countries regarding the percentage of wages taken up by leave loading: Denmark, 1 per cent; Sweden, 2.3 per cent; Norway, 4.1 per cent; Greece, 4.6 per cent; the Netherlands, 6.5 per cent; Portugal, 7.1 per cent; and Belgium, 8.8 per cent.

The concept behind the legislation is in marked contrast to the approach and philosophy contained in the wages accord of this country. It is clear that

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the accord has encouraged wage restraint and has decreased industrial disputation. The current level of disputation in this country is lower than it has been since 1961, and Australia has become more internationally competitive as a result. There has been a long-term decline in the inflation rate, and it is currently the lowest it has been since 1963.

It is unmistakable that over the past decade a significant and sustainable process of reform of the labour market has been commenced in this country. This Bill, like so many others dealing with the same ideological stance, reflects a confrontationist attitude and the fact that the government does not believe it is necessary for employees to be involved in discussions with employers. The government believes workers should be taken out of the traditional labour market.

I commenced my remarks by saying that the domination of numbers is one thing, but I venture this prophecy: this tory government will be like every other one in history. Eventually it will be forced to back down because the few employers who really own the State will inform members of the government that they are suffering from midnight madness, which has nothing to do with industrial reality.

When the waterside workers and the power industry workers of this State stop work and the people who really own and control the coalition government get the message, they will make sure that all those who claim to represent them in this Chamber are called to account! Members of the government will be back saying, "Forgive us; we did not know what we were doing. It seems that we can correct the situation; can you, for goodness' sake, show us how to correct it?"

The Bill, along with all the other fascist-type measures that have been introduced by the government, has achieved a couple of things to which I now refer.

The first relates to the Secretary of the Trades Hall Council, who was out on a limb, and if you had been sensible you could have left him there! But with your stupid ideological approach you ensured that everyone who cared about the workers in this country went shoulder to shoulder with him and you have turned him into the sort of person you thought he should not be.

The second point is that within a matter of hours of becoming Premier of this State, Jeff Kennett —

together with his beloved bushy-haired lieutenant Alan Stockdale — achieved something that people on this side of the Chamber have not been able to achieve despite a lifetime of commitment to the cause: they united the labour movement.

You might have the numbers in this Chamber, but I tell you this: you will be back to correct the injustice you do this day!

Hon. R. S. IVES (Eumemmerring) — Obviously the debate on the Bill is drawing to a close. However, it is appropriate for me to sum up the contribution of honourable members on this side of the House. In doing so, I congratulate my colleague Mr Landeryou on what I believe will prove to be one of the great and most insightful and persuasive speeches ever made in the Legislative Council. In only a few months it will be looked back upon as being a prophecy, and he will be regarded as being able to foretell the future!

The government claims that annual leave loading is paid only in this country, but it is not unique to Australia. As other honourable members have said, it is paid in numerous other countries. The Bill removes 1.3 per cent from the total wage packages of State employees and does so unilaterally. It is inequitable because at this stage State public sector employees are the only ones forced to make the sacrifice. However, the removal of the annual leave loading from the incomes of State public sector employees is really a Trojan horse. It is designed to eventually remove the annual leave loading from all employees under State awards.

The new government or the people who set its agenda will achieve their purpose only by sacking the umpire. Those people have achieved through this Parliament that which they have been unable to obtain from the properly constituted industrial and wage tribunals throughout this country. As Mr Landeryou said, the government is pushing through its ideological agenda, although that agenda has not been accepted in any other arena in Australia and is now losing its popularity around the world.

The government is using the excuse of the high level of State debt to undertake its program. However, the government was aware of the quantum of the State debt before the last election because it was set out in the Nicholls report. The government has embarked on a blatant ideological action that clearly breaks its election promise that no worker would be worse off after the election.

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As I said, the government cannot claim that it did not know the quantum of the State debt before the election because it was revealed in the Nicholls report, which was prepared by the same Mr Nicholls as was subsequently appointed to the Department of the Treasury. What the government is doing today forms part of a package designed to make Victoria a high-taxed and low-wage State.

This matter is an entirely separate issue from collective bargaining, productivity, export competitiveness, or the need for more flexible work practices, which are all aspects of industrial relations supported by honourable members on this side of the House. The tragedy is that the ham-fisted, aggressive, stupid action of the government has set back any achievements in those aspects of industrial relations.

I agree with Mr Landeryou's prediction that it will be only a matter of time before the government's masters — the business people who control it — will rein in the government and say, "In this matter you have gone too far!"

House divided on motion:

	<i>Ayes, 27</i>
Asher, Ms	Forwood, Mr
Ashman, Mr	Guest, Mr
Atkinson, Mr	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr	Hartigan, Mr
Bishop, Mr	Knowles, Mr
Bowden, Mr	Smith, Mr
Brideson, Mr	Stoney, Mr
Connard, Mr (<i>Teller</i>)	Storey, Mr
Cox, Mr	Strong, Mr
Craige, Mr	Varty, Mrs (<i>Teller</i>)
Davis, Mr	Wells, Dr
de Fegely, Mr	Wilding, Mrs
Evans, Mr	

	<i>Noes, 12</i>
Davidson, Mr	Mier, Mr
Henshaw, Mr	Nardella, Mr
Hogg, Mrs	Power, Mr
Ives, Mr	Pullen, Mr
Kokocinski, Ms	Walpole, Mr (<i>Teller</i>)
Landeryou, Mr (<i>Teller</i>)	White, Mr

	<i>Pairs</i>
Birrell, Mr	McLean, Mrs
Skeggs, Mr	Theophanous, Mr

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 3 agreed to.

Clause 4

Hon. D. R. WHITE (Doutta Galla) — The opposition opposes clause 4 for the reasons canvassed at length during the second-reading debate. It is not fitting or appropriate that a contractual relationship prohibit a tribunal from introducing, as part of an agreement or contract, a leave loading penalty if both parties agree to it. That is an unfair restriction in the marketplace.

Notwithstanding the opposition's objection to the removal of the penalty provision, a tribunal should have the right to allow penalty rates to be paid if both parties agree.

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — For the reasons canvassed in the second-reading debate the government stands firm on its position on this clause. It will not prevent an employer paying leave loading should the employer so decide and the parties agree.

Clause agreed to.

Clause 5

Hon. D. R. WHITE (Doutta Galla) — This clause states:

A provision of any determination, whether made before or after the commencement of this Act, or of any contract made before that commencement which imposes an obligation on an employer to pay an employee for a period during which the employee is absent on annual leave and amount in excess of the ordinary pay of that employee shall have no force or effect.

This will remove every agreement that currently exists and an employee will not receive holiday loading even if an employer is prepared to enter into or be part of an existing agreement or be party to a new agreement.

The opposition contests the clause on the grounds that it will be retrospective. That means agreements

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which have existed for a long time will now no longer exist. The opposition is also opposed to the clause on the grounds that it will be impossible for an employer to enter into a relationship with an employee that allows loading to be paid even if the employer was of a mind to do so.

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — The government stands by this clause for the reasons given in the second-reading debate. The clause will mean that provisions of this type will have no force or effect. The government has been forced to introduce this clause because of the dire financial position created by the previous government. It was a choice between proceeding along these lines or imposing further cuts in government. The government had no option but to introduce this legislation. The clause will not stop an employer continuing to pay leave loading if he wishes to do so.

Committee divided on clause:

Ayes, 26

Asher, Ms	Forwood, Mr
Ashman, Mr	Guest, Mr
Atkinson, Mr	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr	Hartigan, Mr
Bishop, Mr (Teller)	Knowles, Mr
Bowden, Mr	Smith, Mr
Brideson, Mr (Teller)	Stoney, Mr
Connard, Mr	Storey, Mr
Cox, Mr	Strong, Mr
Craige, Mr	Varty, Mrs
Davis, Mr	Wells, Dr
de Fegely, Mr	Wilding, Mrs

Noes, 12

Davidson, Mr	Mier, Mr
Henshaw, Mr	Nardella, Mr
Hogg, Mrs	Power, Mr
Ives, Mr (Teller)	Pullen, Mr
Kokocinski, Ms (Teller)	Walpole, Mr
Landeryou, Mr	White, Mr

Pairs

Birrell, Mr	McLean, Mrs
Skeggs, Mr	Theophanous, Mr

Clause agreed to.

Reported to House without amendment.

Passed remaining stages.

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Returned from Assembly with message relating to Council's suggested amendments.

Referred to Committee.

Amended clauses 2, 4 and 5 agreed to.

Reported to House without further amendment.

Passed remaining stages.

BORROWING AND INVESTMENT POWERS (MELBOURNE WATER CORPORATION) BILL

Second reading

Debate resumed from 5 November; motion of Hon. R. M. HALLAM (Minister for Regional Development).

Hon. B. T. PULLEN (Melbourne) — This small Bill increases the debt limit for the Melbourne Water Corporation from \$3.4 billion to \$3.7 billion, and it is identical to the Borrowing and Investment Powers (MMBW) Bill that was introduced by the former Labor government on 10 June this year. Many honourable members would know that the increase in the debt limit is necessary because of the merger in 1991 of six water authorities with the then Melbourne and Metropolitan Board of Works. Therefore, the opposition does not oppose the measure, which provides necessary flexibility to the Melbourne Water Corporation.

Motion agreed to.

Read second time.

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

That this Bill be now read a third time.

I thank the opposition for its cooperation.

Motion agreed to.

Read third time.

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

That the House do now adjourn.

Roads and ports capital works program

Hon. D. R. WHITE (Doutta Galla) — I direct to the attention of the Minister for Roads and Ports the Treasurer's statement that there will be a freeze on capital works programs throughout the public sector. I ask the Minister to inform the House which capital works programs, if any, in his portfolio have been frozen as a consequence of that decision by the Treasurer, and whether he will provide details of the substantial projects that have also been affected by that decision.

State deficit levy

Hon. PAT POWER (Jika Jika) — I direct to the attention of the Minister for Local Government the fact that I have been run off my feet during the past few days attending to inquiries from anxious local government representatives, officers or councillors about the collection of the Kennett \$100 home tax. Many representatives are seeking information about the government's plans to provide local government with support and assistance collecting that levy. They have complained about the lack of consultation by the government before the tax was announced, and they are frustrated because of the invidious situation in which they have been placed. They feel used and abused by the coalition government.

Local government representatives have heard reports that the Minister has said on a number of occasions that he has been involved in regular and ongoing consultation at peak level with representatives of the Municipal Association of Victoria (MAV), and they are wondering when they will benefit from those consultations.

Will the Minister advise the House when he will report fully on those consultations with the MAV so that local government can gain a full understanding of the support and assistance it might receive for the administrative arrangements and associated costs of collecting the \$100 property levy?

Hospital waiting lists

Hon. D. E. HENSHAW (Geelong) — I direct to the attention of the Minister for Housing who is the

representative in this place of the Minister for Health Services a matter concerning a constituent of mine who has a history of vascular problems. Two years ago she was referred by her Geelong specialist to the Royal Melbourne Hospital and she received treatment for aneurisms in the neck arteries. Last April she was again referred to the Royal Melbourne Hospital because of an aneurism and she was told by the registrar that she had a time bomb in her tummy and that she would be called in for an operation within six weeks.

She has not received advice about the operation and she has now been waiting for about six months. Her Geelong specialist, her general practitioner and family and friends are concerned about her. She wants to be told when she will be treated because she is living under a threat. I have been advised that this is a long delay for such a complex case because it appears that she should be treated as a category 1 elective surgery patient. I seek an assurance from the Minister that the matter will be investigated.

State deficit levy

Hon. B. T. PULLEN (Melbourne) — I direct to the attention of the Minister for Housing the cost to his department of the \$100 Kennett property levy, which he informed the House would cost his department approximately \$6.5 million. He also said that the levy would not be raised by an increase in the rents of public housing tenants.

I ask the Minister to indicate the size of the recurrent budget of his department from which the money will be drawn and which programs will be reduced in order to provide the \$6.5 million. I assume that the \$6.5 million cut is in addition to the normal cuts that are being imposed on his department by the Budget, which indicates that cuts of 3 per cent will be made in the area of planning. I would appreciate clarification about the size of the recurrent budget from which the \$6.5 million is coming, and the programs that are likely to be affected. Will it come from funds provided by the Commonwealth through the agreement? That would be a most devious trick, and one quite easily exposed.

Eviction of housing department tenant

Hon. R. S. IVES (Eumemmerring) — I raise for the attention of the Minister for Housing the imminent eviction by the Department of Planning and Development of Mr John Pellicci of 12 Inglebrae Court, Noble Park North. Until December last year Mr Pellicci was an interstate truck driver. In

December his truck developed very expensive mechanical problems that would have cost him a considerable amount of money to have fixed. At the same time his wife, who had been employed and who contributed to the upkeep of their seven children, left him. She is now living interstate in another relationship. She took two of the children with her and left her husband to care for the other five children.

Since December 1991 Mr Pellicci has been on unemployment benefits. Three of his five children are studying the Victorian certificate of education (VCE) at Cawatha Secondary College. As the Minister would be aware, the VCE examinations start next week and continue for two weeks. Mr Pellicci is due to be evicted on 13 November, when the VCE exams are being held. Mr Pellicci owes a considerable amount of money to the Department of Planning and Development — more than \$4000. He also has a second mortgage on the property with the National Australia Bank. He has been given every consideration by officers of the department. In view of the involvement of the Pellicci children in the VCE examinations, I ask that the writ to vacate the property not be exercised until the end of November. I would appreciate an early response to this urgent matter.

Responses

Hon. W. R. BAXTER (Minister for Roads and Ports) — The Leader of the Opposition raised the matter of capital projects in the roads and ports portfolio. He says the Treasurer has instructed that proposed works that have not been contracted be put on hold pending consideration of the government's capital works program. That issue is being considered. Early next week I will advise the Treasurer of the areas in which savings can be made. I fully anticipate that the Treasurer will find my proposals acceptable and I expect that, after consideration of my proposals, the freeze on capital spending in that area will be lifted.

Hon. R. M. HALLAM (Minister for Local Government) — Mr Power asked me yet again about consultations in respect of the administrative arrangements relating to the State deficit levy. I could be flippant and suggest that it is an impossible question to answer, given that there is no such thing as a Kennett tax. However, I take on board the thrust of Mr Power's inquiry. I am unable to make a comment about the actual process by which the peak body with whom I have consulted is contacting individual municipalities.

I do not think anybody would suggest that it would be possible or even effective for the government to talk to individual municipalities. We have channelled the consultation, quite rightly in my view, to the peak organisation. As recently as last night I met with a group from the executive of the Municipal Association of Victoria (MAV). I understand that the executive is meeting today to consider, among other things, the administration of the State deficit levy, and I suspect that the executive will report on those consultations to individual municipalities, perhaps today, but certainly by early next week.

Hon. Pat Power — When will you report fully to the House on your consultation as a Minister?

Hon. R. M. HALLAM — As the House would understand, over the next few days legislation will be introduced that will go to the issues specifically raised in Mr Power's question. At that stage I will explain fully the effects of the levy and its administration.

Hon. R. I. KNOWLES (Minister for Housing) — Mr Henshaw raised a matter which he asked me to refer to the Minister for Health Services in another place. It concerns a constituent who suffers from vascular problems and who has been referred to the Royal Melbourne Hospital. Mr Henshaw asked when the lady is likely to receive treatment. I will refer the matter to my colleague.

Mr Pullen raised the question of the coverage of the deficit levy of Ministry of Housing properties and the range of the recurrent budget —

Hon. B. T. Pullen — Don't you know your budget?

Hon. R. I. KNOWLES — I have not got to the issue yet.

Hon. B. T. Pullen — Just checking.

Hon. R. I. KNOWLES — The operating costs on rental properties in 1991-92 was \$287 million.

Hon. B. T. Pullen — Commonwealth money!

Hon. R. I. KNOWLES — No, that goes into the capital fund. I should have thought that, being a former Minister for Housing and Construction, Mr Pullen might have recalled that. The Commonwealth fund provides funding for the

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capital fund. I am referring to the recurrent operating fund.

Hon. B. T. Pullen — You are not trying to milk Commonwealth money to pay this tax?

Hon. R. I. KNOWLES — Let me give you one unequivocal assurance: we are not!

Mr Ives raised a question about a constituent who has received an eviction notice. I will refer the matter to officers of my department. Evictions are always difficult issues, but the department goes to great lengths to avoid the need for them. It must be understood that the payment of rent is not optional and, inevitably, evictions will create trauma, if not

for the tenant then for other members of the family. I understand Mr Ives's concern regarding the children of the tenant who is facing eviction. I am not sure that I can provide any great comfort to him, given the processes the department goes through prior to taking that step. I will certainly refer the matter to officers of the department for further examination, and I will reply to Mr Ives as soon as I have received a response.

Motion agreed to.

House adjourned 5.18 p.m. until Tuesday, 10 November.