

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

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

**Tuesday, 24 May 2005
(extract from Book 6)**

Internet: www.parliament.vic.gov.au/downloadhansard

By authority of the Victorian Government Printer

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(*Assembly*): Mr Cooper, Ms Marshall, Mr Maxfield, Dr Sykes and Mr Wells.

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Family and Community Development Committee — (*Council*): The Hon. D. McL. Davis and Mr Smith.
(*Assembly*): Ms McTaggart, Ms Neville, Mrs Powell, Mrs Shardey and Mr Wilson.

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FIFTY-FIFTH PARLIAMENT — FIRST SESSION

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Tuesday, 24 May 2005

The PRESIDENT (Hon. M. M. Gould) took the chair at 2.03 p.m. and read the prayer.

ASSISTANT CLERKS

Appointment

The PRESIDENT — Order! Before we begin today's proceedings I wish to advise the house that Mr Andrew Young has today taken up his position in the chamber as Assistant Clerk — Committees. He comes to us from the Legislative Assembly of Western Australia. Much to this house's horror, members of Parliament in the Assembly in Western Australia booted when the Speaker indicated he was coming to this upper house. I leave it to members of the house to get in touch with their colleagues over there and set the record straight.

An honourable member — Who does he barrack for?

The PRESIDENT — Hawthorn! Also I advise the house that Dr Stephen Redenbach — all members know Stephen — has now officially taken on his new position as Assistant Clerk — Procedure and Usher of the Black Rod.

DISTINGUISHED VISITOR

The PRESIDENT — Order! I wish to acknowledge the presence in the public gallery of a former member of this house, Mr Tayfun Eren.

ROYAL ASSENT

Message read advising royal assent to:

**Courts Legislation (Judicial Conduct) Act
Justice Legislation (Amendment) Act
Legal Profession (Consequential Amendments)
Act
Magistrates' Court (Judicial Registrars and
Court Rules) Act
Parliamentary Administration Act 2005.**

QUESTIONS WITHOUT NOTICE

Australian Synchrotron: funding

Hon. PHILIP DAVIS (Gippsland) — I direct my question without notice to the Minister for Major Projects. I refer the minister to the Australian Synchrotron project. Last week he said he would happily inform me at great length on another occasion about how the project is on time and on budget. On 21 June 2001 the government announced it would provide up to \$100 million for the synchrotron, which would be operational within five years. However, it is now four years later, and despite the government investing \$157.2 million there is still a \$25 million shortfall in funding. The project is now \$57.2 million over budget, and the current expected completion date has been deferred by one year to 2007. I therefore ask: is it not a fact that the minister misled the house last week when he said the project is on time and on budget?

Honourable members interjecting.

The PRESIDENT — Order! The Leader of the Opposition has asked a question, and I am sure his colleagues on my left want to hear the minister's answer. To allow that to happen, I ask members to desist from interjecting.

Mr LENDERS (Minister for Major Projects) — I am pleased to say to the house that the synchrotron is on time and on budget. Had the Leader of the Opposition been at Clayton on 20 March he would have joined some 6000 Victorians — —

Ms Mikakos interjected.

Mr LENDERS — Six thousand, Ms Mikakos! They are incredibly proud of the synchrotron. Among the 6000 Victorians present — and I did see Mr Hilton in the crowd — were enormous numbers of young people, students from the university and members of our scientific community, who were there to watch.

Hon. Bill Forwood — So what!

Mr LENDERS — I take up Mr Forwood's interjection. He said, 'So what!'. I say to Mr Forwood and the house that to finally have a project in this state that will put young people into scientific, innovative jobs and keep them in Australia — that stops them going to Europe, the United States of America, Singapore or Japan — and has them doing their research work in Australia is particularly good. Getting to the point of the project being on time and on budget, I certainly did not mislead the house. With great joy I

told the house that the project is on time and on budget. Of course Mr Philip Davis, being such a naysayer and gloomy person, looks to the original indicative budget not the new budget, which has been in the papers for a number of years.

Honourable members interjecting.

The PRESIDENT — Order!

Mr LENDERS — Yes, President, he is a naysayer, and I notice he is not wearing his Victoria badge any more, which everyone opposite used to wear in 1999 when we came into government. Other than the member for Box Hill in the Legislative Assembly, who still wears it? Not a single member of the Liberal Party wears the Victoria badge any more, which probably shows that, like the Leader of the Opposition here, they are naysayers.

Getting back to the synchrotron in particular, it is a great project — and it is on time and on budget. The Leader of the Opposition should focus on why it is on time and on budget. I suggest that Mr Forwood read the Auditor-General's report as well — it is not just me saying this. I guess we need to look at how this actually works. This is a very complex project. It is a project where the construction of the synchrotron is being done very well by Major Projects Victoria. It is the first such project in the Southern Hemisphere. It is an exciting scientific project that has 3000 Australian scientists — 3000 Australian scientists! — queuing to use it. It will be great for science and it will be great for medicine. Despite the complexity of the project, it is running along well. Not only is it running along well — the construction of the main centre is in place — but we are engaging the various consortia on the beam lines of the synchrotron, so bit by bit we will get this up and running.

It is working very well. It is a project that all Victorians should be proud of. Victorians should not try to talk it down. The government is proud, the Auditor-General has done a review of this project, and the community came walking through this project with great gusto. The amazing thing about this is how proud those members of our community were — like they were at the Austin Hospital, another great project that was on time and on budget — with this government delivering services. People liked the synchrotron. This government is leading the way by building great major projects in this state which will create jobs and investment. We do them in a good way through the Gateway project so they are on time and on budget, and we are very proud of our record.

Supplementary question

Hon. PHILIP DAVIS (Gippsland) — I thank the minister for his response, but he did not address at all the substantive nature of the question, which was well set out in terms of the government's failure to adhere to its own budget and its own time lines. Therefore I ask: will the minister advise exactly when the synchrotron will be finished and how much more taxpayer money he plans to spend on it?

Mr LENDERS (Minister for Major Projects) — The synchrotron building is complete and has been opened, as Mr Philip Davis would know if he had joined Mr Hilton, me and 6000 other Victorians who walked through on that day. He would have known. The beam lines are moving through very well, thank you very much, where increasingly corporations, education institutions and a range of other ones are signing up.

Hon. Philip Davis — How many beam lines?

Mr LENDERS — I am not going to disclose commercial-in-confidence issues to the Leader of the Opposition in this place. I assure him that I would be happy to have a private wager with him that he will be embarrassed at how good the synchrotron is running, because he is a naysayer. We on this side of the house, along with 6000 Victorians, are extremely pleased about it. The synchrotron is travelling very well. It is on time and on budget. I invite Mr Forwood to start asking questions about this at the Public Accounts and Estimates Committee hearings in a year and a half's time. He will be delighted and pleased. It is doing well. It is on time and on budget, and we are leading the way.

WorkCover and Transport Accident Commission: ombudsman

Mr SMITH (Chelsea) — My question is to the Minister for WorkCover and the TAC, Mr Lenders. Can the minister advise the house how the Bracks government is leading the way with the establishment of an ombudsman that will further improve our WorkCover and Transport Accident Commission schemes?

Mr LENDERS (Minister for WorkCover and the TAC) — I am delighted to report to Mr Smith and the house that we will be introducing legislation into this Parliament to establish an ombudsman to deal with the Transport Accident Commission (TAC) and the Victorian WorkCover Authority. I know Mr Forwood has had an ongoing interest in this because not long after I became minister he asked me a question about

whether we would deliver on our policy on this. We are extremely proud to be delivering on the policy way ahead of the end of the four-year term. The legislation is in place now for that to happen.

You may ask why have an ombudsman when we have a very good appeal system in the WorkCover and transport accident schemes to deal with the merit of individual cases. We are establishing an ombudsman because it has become clear to us from a number of clients of both the WorkCover and transport accident schemes that on some of the administrative issues that do not relate directly to the claim sometimes people get the run-around. Whether it be ringing either the authorities themselves or dealing with the claims agents of the Victorian WorkCover Authority, sometimes people feel there is a bit of a delay or that they are chasing their tails. We have had this message a number of times. This process has been put in place so there is a streamlined one-place stop for disgruntled users of those schemes to get a fair hearing. Rather than set up an elaborate bureaucracy we have given it extra resources, and this legislation will make it absolutely clear what the power of the ombudsman is.

Hon. Bill Forwood — Extra resources?

Mr LENDERS — Mr Forwood says ‘Extra resources’. I invite him again to ask a question during the Public Accounts and Estimates Committee hearings or in this house because this government is serious about the client needs of WorkCover and the TAC. We will provide those necessary resources to the ombudsman’s officers so the ombudsman has the capacity to put extra resources into place for this. This is very important and it affects everybody in this house. If at the moment you have someone who feels aggrieved by the administrative processes of WorkCover or the TAC, they may go to the organisation, they may go to their local member of Parliament, they may go to the shadow minister, they may go to the minister, they may go to their trade union or they may go to a law firm.

In response to Mr Smith’s question, this means there is a simple, streamlined one-place stop. This has been welcomed by stakeholders. My predecessor in the WorkCover portfolio, the Attorney-General in the other place, Minister Hulls, had extensive consultation with a lot of stakeholders. I had the pleasure of coming into this portfolio in January to conclude that process. As an example I will quote from ABC radio yesterday. Stephen Grant, the chief executive officer of the Transport Accident Commission, said:

We are continually looking at what we do and how we can do it better.

That is the philosophy of both organisations. We want to know how we can do things better. This is part of this government giving extra resources and power to the Ombudsman so he can appoint a deputy ombudsman specifically to deal with the TAC and WorkCover.

It is important that workers injured in the workplace, employers who have concerns about administrative procedures and those people injured on the roads who want a streamlined, one-stop way of dealing with administrative complaints can go to this stop. This government leads the way in providing service delivery to Victorians where it matters. Not only are we running our operations on time and on budget, restoring important services to Victorians and building infrastructure but we are also providing effective service delivery where it matters to vulnerable Victorians at the time when they need it most.

Planning: local government

Hon. J. A. VOGELS (Western) — I direct my question without notice to the Minister for Local Government, Ms Broad. Right across Victoria planning is in disarray due to mismanagement by the Bracks government regarding Melbourne 2030, urban boundaries, the right to farm, environmental overlays et cetera. I ask whether the minister supports local government being the leading referral authority for planning in this state.

Ms BROAD (Minister for Local Government) — I welcome the member’s question and the opportunity to set out the Bracks government’s attitude to local government in this state, including in relation to planning matters. This government has made very clear on many occasions that we regard local government as a level of government in its own right. That is why we have moved to recognise local government in the constitution and that is why we respect local government as a democratically elected level of government which should be accountable to local communities for its actions. That is why we have also strengthened accountability measures under the Local Government Act, to ensure that decisions by councils are transparent so that local communities can make their own judgments at the appropriate time in holding councils accountable.

It would seem that some on the opposite side of the house have still not learnt the lesson that you would have thought they learnt very hard in 1999 as a result of the way they treated local government when they were last in government. This government will continue to uphold the right of local government to have a role as a

democratically elected level of government to make decisions about planning matters. The member who has asked this question knows full well that I am not the planning minister. If the opposition has questions for the planning minister about specific planning matters, then it should ask the planning minister.

I can certainly reaffirm, if the opposition is in any doubt at all, that the Bracks government will continue to respect and support local government as a level of government in its own right which is democratically accountable for the decisions it makes on behalf of the people it represents including in relation to planning matters.

Supplementary question

Hon. J. A. VOGELS (Western) — It is widely rumoured in local government circles that the Minister for Planning in the other place intends to set up a metropolitan planning authority, thereby stripping planning controls from councils. I ask the Minister for Local Government if she will let this happen. What are her views and will she support in cabinet local government retaining control of planning?

Ms BROAD (Minister for Local Government) — I think I have set out the attitude of the Bracks government to local government loud and clear in response to the member's first question and I reiterate and reaffirm that response as many times as he would like it.

Energy: south-west Victoria

Hon. J. H. EREN (Geelong) — My question is to the Minister for Energy Industries and Resources, the Honourable Theo Theophanous. Will the minister advise the house how the Bracks government's policies in energy and resources are leading the way in transforming the south-west of Victoria into a new energy hub?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources) — I thank the honourable member for his question. Of course being from the south-west part of the state he has a particular interest in this. South-west Victoria is experiencing regeneration as an energy hub. When we came to power there was only one source of natural gas in Victoria — out of Bass Strait and Longford — and when that was cut off it had disastrous consequences for the state. The energy supply was dominated from the east of the state, with electricity generation coming through the Latrobe Valley and gas out of Bass Strait. The south-west is now emerging as a new energy hub for Victoria.

I reported to the house last week that the federal government's Australian Bureau of Agricultural and Resource Economics still has Victoria increasing the value of its committed resource projects to \$2.6 billion in the first half of this year. The south-west is leading the way in that investment and in those projects. Some \$1.65 billion of investment is currently occurring or has just been completed in and around the Port Campbell area alone. Projects there include the recently opened Minerva gas project developed by BHP, which is a \$1.1 billion project; the Woodside Otways project that is currently under construction; and the recently commenced \$200 million Santos Casino development. The Minerva development alone adds 15 per cent to the available reserves of natural gas in Victoria and increases our capacity to provide gas to the state. Origin Energy is also developing its plans to construct a 1000 megawatt gas-fired electricity production plant at Mortlake. This is a huge construction project as well.

There are also a number of wind farms either in construction or at the planning stage in this area of the state. Members are aware of the Portland wind farm project, which is a 195 megawatt, \$270 million project for the Portland region. The proposed wind farm at Macarthur is a 300-megawatt, \$600 million project. There is also the Mount Gellibrand proposal near Colac, which is a \$320 million project. That is over \$1 billion of planned wind farm investment in the south-west of the state, or more than 750 megawatts of wind power that is planned for this region. More than that, it has led directly to the creation of 75 new jobs at the Keppel Prince plant in Portland and another 50 jobs at the new \$9 million Vestas wind blade factory as well.

The south-west will, of course, never completely replace the traditional energy heart of Victoria, the Latrobe Valley and the rest of Gippsland, but it will complement Gippsland's strengths. For the south-west these developments mean new jobs and new investment. The south-west and its new role as an emerging energy hub for Victoria is a great example of how the Bracks government is growing every bit of Victoria.

Rural and Regional Services and Development Committee: country football

Hon. D. K. DRUM (North Western) — My question is to the Minister for Sport and Recreation, the Honourable Justin Madden. Can the minister outline the government's time frame for its response to the all-party parliamentary inquiry into country football which called on the government to spend in the vicinity of \$20 million on country football and netball over the next four to five years?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I welcome the member's question in relation to the government's response to the parliamentary inquiry into country football. One of the reasons we determined that reference for the committee was that we believe it is a significant issue in the country. It is significant not only because of what takes place on the ground in country Victoria but also because it is representative and reflective of the greater aspirations of the community in country Victoria and the way in which the dynamic of any country community operates. Not only do people play footy and not socialise around the footy but they come together as a community for the footy. More importantly it is not just the football — it is the netball clubs, the tennis clubs and the cricket clubs that establish themselves around those reserves.

We have a time frame for that. I understand the announcement in relation to the inquiry — that is, the government's response — will be made in coming weeks in line with the normal expectations and time frames for the government's response to parliamentary inquiries. That response will be a particularly positive one — one that I am sure Mr Drum and his colleagues will embrace — because it will reflect our concerns about sport in the community and also in country Victoria and our aspirations, which are in line with those of country communities.

Supplementary question

Hon. D. K. DRUM (North Western) — I thank the minister for his positive response. My supplementary question goes to the fact that there was no allocation for this in the recent budget. Can it be assumed that any moneys that will flow from the government to country football and netball clubs will not be available until the 2006–07 financial year?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am conscious of the point Mr Drum is trying to make, but our announcement will be a particularly positive one and it will be received positively by country Victoria. It will be positive because it will reflect not only the community's aspirations but also the aspirations of the Bracks Labor government. Time and again we hear in this chamber that Victoria is a great place to be, but it is also a great place to raise a family. The government's response to the parliamentary inquiry and the resources we bring to it will reflect that Victoria and country Victoria are not only great places to be but even greater places to raise a family.

Aged care: elder abuse

Hon. J. G. HILTON (Western Port) — My question is to the Minister for Aged Care, Mr Jennings. Can the minister advise how the government is leading the way in addressing the sensitive and complex issue of elder abuse?

Hon. Bill Forwood — You stole our policy, that's what you did.

Mr GAVIN JENNINGS (Minister for Aged Care) — I am glad Mr Forwood actually listened to the question from Mr Hilton about the way in which the Bracks government intends to deal with, to use Mr Hilton's words, 'the sensitive and complex issue of elder abuse' within our community and to provide strategies to prevent this from occurring in future. Mr Forwood interjected to suggest that this was something the opposition does indeed have a policy on. I am very pleased that this is an area regarding which we cannot say that this is an opposition that stands for nothing — in this instance it does stand for something.

Hon. Bill Forwood — You are playing catch-up!

Mr GAVIN JENNINGS — From this point on I am a bit conflicted, because the opposition does have a policy, but I do not happen to agree with it. The actions that will be taken by the Bracks government will not be in accord with the views of the opposition. However, both the government and the alternative government represented their views at the seminar held by Council on the Ageing (Victoria) as recently as last Friday.

On the threshold question of who is playing catch-up and who is leading the way, I want to outline to the house and the community the consideration that has led to some initiatives by the Bracks government. In September 2003 the Office of the Public Advocate issued an important report and presented it to the government on the basis of concerns — —

Hon. Bill Forwood — When?

Mr GAVIN JENNINGS — September 2003. It was about the range of issues that fall into the category of elder abuse.

Early in 2004 I gave a reference to the Ministerial Advisory Council of Senior Victorians, a group that plays a great role on behalf of the older members of our community by providing input to the government about ways in which we could enhance our capacity to support older people, particularly when they are vulnerable through a variety of things ranging from financial abuse, emotional abuse, physical abuse and

the potential vulnerabilities that members of our community face. The ministerial council considered the various protocols, referral arrangements and services in place and recognised there were some strengths to the existing program, although we need to find educative ways for improving our capacity over time. That led to the establishment of an advisory group that was to take these issues into the public domain under the leadership of ex-Senator Barney Cooney.

Hon. Bill Forwood — He is from the left!

Mr GAVIN JENNINGS — I am very surprised someone has not indicated that he is an old mate; there is nothing like an old mate to do this work. Clearly the opposition has some regard for Barney Cooney, as he was one of the most popular blokes to have left the Senate, as I recall. He has a well-deserved and well-understood reputation for being concerned with human rights issues and the quality of life for all members of our community. He will be joined on this group by the Victorian Community Council against Violence, the Alzheimer's Association of Victoria, Residential Care Rights, the Carers Association Victoria, Victoria Police, the Royal District Nursing Service, the Australian Society for Geriatric Medicine and the Victorian Association of Health and Extended Care.

That is a very comprehensive group of people who are charged with responsibility for developing programs that will lead to the empowerment of older members of our community and to make recommendations about what service gaps there may be within the service network. I am looking forward to their work. There will be opportunities for members of the Victorian community to comment publicly about those considerations during the course of this year.

In distinct contrast the opposition has come up with two policies: one is to introduce a scheme of mandatory reporting for older people, treating them in a paternalistic way, which is totally out of kilter with their mind-set; and the second is to replicate the commonwealth government system of having an ombudsman — —

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

Aged care: elder abuse

Hon. ANDREA COOTE (Monash) — My question is also to the Minister for Aged Care, Mr Jennings. Last Friday, as the minister said, he and I attended the Council on the Ageing seminar on elder

abuse, and we both spoke at that seminar. It was personally gratifying to me to be recognised by the seminar for producing a comprehensive policy on elder abuse and for David Sykes from the Office of Public Advocate to publicly acknowledge that the Liberal Party has been the leading force in the debate. What exactly is the minister's budget for the elder abuse program in the financial year 2005–06 and for the next financial year?

Honourable members interjecting.

Mr GAVIN JENNINGS (Minister for Aged Care) — I think that is bit of an invitation. Given that I was at the seminar and listened to the presentation of Dr David Sykes, not at any time when I was there did he actually say the words that the shadow minister purports that he said. It may have been during a private conversation that she had subsequently that such glowing terms were used. In the public presentation of the authority on this subject that was certainly not the message given when I was in attendance.

Honourable members interjecting.

Mr GAVIN JENNINGS — In terms of leading the way, I think the chronology of events I outlined to the house in a pre-emptive way prior to the question being asked by the shadow minister indicates the considerations and the work being done to underpin this report. I take it as an opportunity to give supplementary advice to the house about these matters. I thank the shadow minister for the supplementary opportunity to expand on my answer and say that the contestability of these issues about the budget — which is the concern of the opposition — is an interesting thing. I mentioned briefly in my first answer the proposal of the opposition to introduce a mandatory reporting program that replicates the type of mandatory reporting regime that applies for child protection. All members of the community know that child protection costs are a substantial item within the state budget.

The opposition wants to replicate that scheme for older people regardless of whether older people think that is a patronising approach. But how much did the opposition allocate in its commitment to this issue? From memory — there is no figure in front of me — it is in the order of \$1 million. It thinks the entire system to implement a scheme of mandatory reporting for adult protection services would demand as little as \$1 million. This approach would clearly fall short of the expectations of older members of the community. This is an issue that will be tested during the course of the year and the notion of introducing an ombudsman for this issue is totally to replicate an existing

commonwealth responsibility. The commonwealth has responsibility in aged care for ensuring that there is an office of the commissioner for complaints, yet they want to replicate that in Victoria by establishing an ombudsman for this purpose.

In respect of all the issues that could have been considered by the opposition and all the policies that could have been developed over time, there has been a fundamental failure to grasp the nettle of the complexity of those issues and they have been reduced to two simple propositions. One of those, even if it were in an appropriate form to be implemented, is chronically underfunded, and the other is to replicate a system that is already funded within the commonwealth jurisdiction. The reason I have conflicting feelings about this is that although I congratulate the opposition on having a policy on at least something, I am very disappointed that there are some fundamental failings in the one policy it has announced this year. It is very disappointing.

Hon. Andrea Coote — How much?

Mr GAVIN JENNINGS — In terms of the budget, the member knows full well that the program I have outlined is a consultative program that involves recommendations that are going to be formulated during the year. Allocations are provided to ensure that it is a consultative mechanism that engages our community and comes up with considerations supported by resources and makes recommendations to the government later this year.

Supplementary question

Hon. ANDREA COOTE (Monash) — What investigatory body is the minister going to put into place to address the issue of elder abuse?

Mr GAVIN JENNINGS (Minister for Aged Care) — It is very clear from my contribution both at the Council on the Ageing seminars attended by the opposition spokesperson and again from the nature of my conversation in the house today what my understanding is of how appropriate it is to dive into the deep end of mandatory reporting. In my conversations with older members of the community it has not raised its head as being an appropriate mechanism.

Older people consistently say to me, ‘Do not patronise us. Do not treat us as children. As laudable as it may be to have processes in place for child protection mechanisms, do not patronise us, do not undermine our sense of autonomy and empowerment as we live within the Victorian community. Indeed during 2004, along with the Attorney-General, I joined in creating

improvements to the enduring power of attorney, which is the type of measure — —

The PRESIDENT — Order! The minister’s time has expired.

**Information and communications technology:
broadband access**

Hon. R. G. MITCHELL (Central Highlands) — My question is for the Minister for Information and Communication Technology. Will the minister advise the house how the Bracks government is leading the way through the use of innovative broadband applications?

Hon. M. R. THOMSON (Minister for Information and Communication Technology) — I thank the member for his question. Previously I have talked about the importance of broadband to the community and also about the broadband framework that we have launched that spells out in detail our government’s intention to be able to utilise broadband to provide better service to Victorians and strategically to improve broadband availability to communities. This, of course, was fundamental to the telecommunications purchasing and management strategy arrangements which were entered into and which will see 4 megabytes of optic fibre broadband go out to our schools no matter where in Victoria they are, no matter how remote or how small they may be.

Along with providing access to the broadband we want to ensure we are making good use of it. To that end the government wants to ensure that appropriate broadband applications are being applied to the areas in which it has jurisdiction and responsibility, to ensure that we are providing greater service and greater capability for Victorians. To help meet this the Bracks government has provided a Broadband Innovation Fund of \$15 million to support innovative, leading-edge use of broadband within government. A fortnight ago I was joined by local members Tammy Lobato, Dymphna Beard and Heather McTaggart — the members for Gembrook, Kilsyth and Evelyn in the other place — to launch the Yarra Valley e-Rich Learning project.

Mr Lenders interjected.

Hon. M. R. THOMSON — It is an excellent project, Mr Lenders, which has supported the Broadband Innovation Fund to develop a world-leading digital learning environment. There is \$12.7 million in this project which is being funded by the local schools, by the Department of Education and Training under its Leading Schools Fund and by the Broadband

Innovation Fund. It brings together 7 high schools, 40 primary schools and 1 special school into one e-learning environment and community. The schools will benefit from the opportunities to allow students and teachers to collaborate online and share resources. It will incorporate computer skills and digital technology and innovative e-learning applications for every school subject. It will allow students and teachers to access learning materials at home or out of school hours.

The project will provide training opportunities for teachers to understand and use that technology and for students as well. It will improve learning materials. It will also enable parents to get access to the Internet, to actually be able to assist and monitor their children's progress. It is a really innovative project and we are looking forward to the way in which the schools will apply that. The community is really excited about the opportunities that are open for them. It is only limited by their imaginations. We are looking forward to the outcomes, and we are delivering for all Victorian families.

Fernlea House: funding

Hon. D. McL. DAVIS (East Yarra) — My question is directed to the Minister for Aged Care, Mr Jennings. Given the minister's response to a question last week about the ageing of the population in the outer east and therefore the need for palliative care in the outer east of Melbourne I ask: will the Bracks government fund the Fernlea House hospice in the outer east?

Mr GAVIN JENNINGS (Minister for Aged Care) — It is very disappointing that the leader has left the chamber for the answer to this question.

Hon. M. R. Thomson interjected.

Mr GAVIN JENNINGS — Sorry, the Leader of the Opposition — and thanks for clarifying the matter.

The Bracks government does recognise the importance of palliative care, and that is reflected in the fact that there was a substantial review of the way the network of palliative care services works in Victoria. That led to \$7 million being allocated to enhance the quality and the spread of palliative services throughout Victoria, which is a recent initiative that was reflected in this year's budget.

The member was correct when he indicated that I was very pleased to answer a question last week that was put to me about the development of a 30-bed palliative care service in Knox as part of a sub-acute facility, a rehabilitation facility, and a palliative care unit on Mountain Highway, Wantirna, which I think will play a

very useful role in providing support to members of that community at a very pressing time, when families are under stress and people who are in the last days of their lives do not want to leave their loved ones. So in fact we do recognise that there is a need to provide timely services that are actually reasonably representative of their local communities.

In relation to any specific service delivery, the service delivery decisions in terms of palliative care reform are decisions that are made by the service system network within each region. The recommendations of that network then form the basis of ongoing resource allocation in the name of trying to establish an integrated and representative set of palliative care services within each region. I personally do not have a knowledge of the service the member refers to and where it sits within the recommendations that are going to be coming forth from the region. However, that is the mechanism by which recommendations will be made for resource allocation within each region of that local network working through a Department of Human Services region to make decisions about ongoing funding recommendations which would subsequently be made to the government.

Supplementary question

Hon. D. McL. DAVIS (East Yarra) — I note that the minister has given me a process by which these allocations for palliative care beds and services will be undertaken, and I note that he has indicated he does not know the details of this particular service. I will therefore enlighten him briefly in the moment that I have and say that Fernlea House comprises a group in the outer east of Melbourne which is committed to a hospice for dying people who need palliative care. There is very great need in the outer east, but Fernlea House specifically provides a community model and has a community board and a small group of people who have been very successful in obtaining a location — a house.

There has been federal money to assist them to the tune of \$800 000 over three years, and I pay tribute to Jason Wood's work in achieving that funding, unlike the state members of the Labor Party out there who have not worked in that way. I ask: will the minister collaborate with the Minister for Health to achieve this funding for Fernlea House?

Mr GAVIN JENNINGS (Minister for Aged Care) — That sounds a bit like an adjournment matter, but I thank the member for the supplementary information, if nothing else. I have already outlined to the member and to the house the way in which the

decision of resource allocation will be made. I am very happy to have conversations with the Minister for Health, who has the program responsibility in terms of the output measures.

Let me make it very clear that in her appearance before the Public Accounts and Estimates Committee the Minister for Health will be talking about palliative care services in line with my approach to these matters. As much as possible I try to inform the house of the way in which these things will be undertaken. I am, of course, very happy to collaborate with her.

Commonwealth Youth Games

Ms MIKAKOS (Jika Jika) — My question is directed to the Minister for Sport and Recreation. I ask the minister to highlight to the house how the major events strategy of the Bracks government is leading the way, and in particular how the recent Commonwealth Youth Games have benefited the city of greater Bendigo.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I welcome the member's question and her interest particularly in the Commonwealth Youth Games in Bendigo. I recently had the great pleasure of announcing the economic benefit that the Commonwealth Youth Games brought to the city of greater Bendigo and the surrounding region. What we saw at this particular event, with the volunteers who had been involved in the games, was the announcement of the \$8.9 million economic benefit of the Commonwealth Youth Games to the city of greater Bendigo. At the time of the games there were 1000 athletes from 24 countries from 5 regions. It was a huge success. It gave a tremendous morale boost to the community; it highlighted the fact that major events in regional Victoria can add to the dynamic of a community as well as having an economic impact.

The games were delivered through a combination of partnerships: \$750 000 was provided from the Bracks government and \$20 000 came from the Office of Commonwealth Games Coordination to assist in the staging of the games — a significant contribution was made by the City of Greater Bendigo as well as the Australian Commonwealth Games Association. We saw an enormous amount of coverage from the local media celebrating the event which included such headlines as 'Colourful ceremony wows huge crowd', 'Ceremony triumph', 'Fun and games for all', 'Games put Bendigo on international map' and 'A job well done for Bendigo'.

This brought an enormous amount of benefit right across the community with a lot of positives celebrated and even the federal Minister for Art and Sport, Rod Kemp, was celebrating the event with his quote in the *Bendigo Advertiser* of 7 December, 2004, when he said:

The commonwealth is delighted with the success of the Commonwealth Youth Games.

It is great to get that endorsement. It may be damned by faint praise sometimes, but that was an endorsement by the federal sports minister. The article also points out:

Bendigo's biggest ever — —

Hon. G. K. Rich-Phillips — On a point of order, President, throughout his answer the minister has been placing on the record a number of matters that have appeared apparently in regional newspapers regarding the question. I would submit that reading a series of headlines and quoting from a series of articles is quoting information that is on the public record and is therefore not appropriate for the minister to use as an answer to a question without notice.

The PRESIDENT — Order! On the point of order, the minister is responding to the question and he is entitled to respond in a manner that he sees as appropriate. There is no point of order. I do not uphold the point of order and I ask the minister to continue.

Hon. Bill Forwood — On a point of order, President, I refer the house to page 53 of the standing orders of this place which say under rule 1.03:

Questions should not ask ministers —

...

(d) for information which is readily available in accessible documents.

I put it to you, President, that the newspapers which the member is quoting from are readily accessible documents.

Mr Viney — On the point of order, President, there are also quite clear rulings from the chair and clear precedents from *May* — —

Hon. Bill Forwood — Name one.

Mr Viney — If you want to have this debate, bring it on! I will get all the references you like. There are clear indications from previous rulings that a minister cannot be directed to answer a question in a particular way. In the spirit of that, it would be reasonable to expect that the minister would be able to refer to

newspaper articles and other documents in order to answer a question.

The PRESIDENT — Order! On the point of order raised by the Honourable Bill Forwood, he made reference to rule 1.03(d). You have to read the first part of that rule. It says:

Questions should not ask ministers —

...

(d) for information which is readily available in accessible documents.

The minister is not asking a question. He is actually answering, so that rule does not apply. It applies to asking the minister a question that asks for information that is readily accessible. The minister is responding. I do not uphold the point of order. I ask the minister to continue.

Hon. J. M. MADDEN — I welcome the question from the member. It is interesting that the opposition is sensitive when it comes to the federal government. If I were in opposition, I would be sensitive about the federal government as well. Whilst Rod Kemp, the federal minister, was happy to announce the games it was pointed out in the article that:

Bendigo's biggest ever sporting and cultural event succeeded despite the federal government's failure to financially support —

the event. I put that on record because it is worth drawing to the attention of the chamber that we are delivering for regional Victoria, even if the federal government is not.

This was a fantastic outcome for the community. We saw a tremendous celebration on the opening ceremony night, with a full crowd at the venue. We saw tremendous athletic performances by young people from nations all around the commonwealth. They were worth celebrating and they are worth continuing celebration. The economic impact has been measured and we are celebrating that because it is a resounding endorsement of what this government is doing for regional communities.

Louise Martin, the Commonwealth Games Federation secretary who was the architect of the Commonwealth Youth Games in Edinburgh when it was first held, said:

This is what I really wanted.

What Bendigo has done has surpassed what Edinburgh —

has done. This was a fantastic success story from all the partners involved, a great celebration for Bendigo and a

great celebration for this government — making Victoria an even better place to be.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Finance) — I have answers to the following questions on notice: 3309, 3310, 4348, 4358, 4355, 4368, 4375, 4409, 4437, 4440, 4449, 4721.

MEMBERS STATEMENTS

Alpine National Park: cattle grazing

Hon. BILL FORWOOD (Templestowe) — 'Today Minister Thwaites has plunged a knife deep into the heart of Victorian history'. Those are not my words but the words of Simon Turner who is the head of the Mountain Cattlemen's Association of Victoria, talking about the decision made today by the Bracks government to outlaw grazing in the Alpine National Park. It is appalling. Not only is this another broken promise — and it is, because the Minister for Environment in the other place, Mr Thwaites, promised that he would not take this action — but it is another slap in the face for country Victoria.

I invite honourable members to read the press release of the Mountain Cattlemen's Association which shows the extent of feeling of country Victoria towards this government. I say here and now that the Liberal Party will oppose this decision with every breath in its body. We do not believe that the government has a mandate to destroy 170 years of Victoria's history in this way.

An honourable member — They think they have a mandate!

Hon. BILL FORWOOD — They think they have a mandate to do that? Bring on the next election, because we will stump the country, telling people of the way the government has behaved. The fact that it got a little group of city members to go out there, a backbench committee without merit and without intellect, to end up with a decision like this — all this is doing is destroying Victoria's history. This is a bad and black day for Victoria, one which will not be forgotten by the people of country Victoria or by the — —

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

David Hicks

Hon. J. G. HILTON (Western Port) — For the last few weeks the commercial media has been dominated by the Schapelle Corby case. Ms Corby was arrested in Bali last year; charges were laid and the verdict is to be delivered on Friday. One of the commercial channels will interrupt its normal programming to bring us the verdict live. On this, I make absolutely no comment.

But there is another Australian who has been in the custody of a foreign country for nearly four years but who has yet to be tried. I refer of course to David Hicks. The coverage of David Hicks's predicament is very much out of sight, out of mind. The treatment of detainees at Guantánamo Bay is gradually coming to light as more former detainees tell their story; of course, we should all recall the shocking pictures of detainees being so appallingly treated at Abu Ghraib.

This week the Afghan President, Hamid Karzai, is in Washington raising the treatment of Afghani prisoners and requesting that Afghani prisoners be transferred into Afghan custody.

I urge our federal government to strenuously support David Hicks's return to Australia. He is being left out to dry by his own government. This is a disgrace!

HIV/AIDS: report

Hon. ANDREA COOTE (Monash) — I raise an issue in my statement about people living with HIV/AIDS. In October 2003 a report was conducted and completed by the Department of Human Services. The report acted as a complete overview of both the Victorian AIDS Council and the People Living with HIV/AIDS organisation.

It concerns me, as it does the community, that the Bracks government has still not released the report to the public. The government has blocked releasing the full document, releasing only the executive summary and the recommendations. Those within the community have questioned the reasons for the government's blocking the report. Many within the community believe that the report was damaging to the Department of Human Services in its services to HIV/AIDS persons.

HIV/AIDS: accommodation

In addition, and as another blow, a review took place in the latter half of 2004 to investigate the current shortage of public housing for people living with HIV/AIDS. Members of the reference group set up to advise the process have since been informed that the government

is not happy with the review document, and it would not be released to the public. This is of great disappointment to many community groups desperately waiting on government action in this area.

Unfortunately this appears to be another case of the Bracks government pretending to solve problems with another committee but hiding the results. Those in the community suffering from HIV/AIDS deserve much better treatment than this. The Bracks government cannot continue to hide all of this vital information —

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

Hector Pitman

Mr PULLEN (Higinbotham) — I pay tribute to Hector Pitman of Willaura who, sadly, passed away on 18 May, aged 82. Although I did not know Hec personally I did know a lot about him, as he was a neighbour of my staff member, Terry Grange.

Hec, along with his wife, Ida, had three children — Dennis, Lynette and Leanne — several grandchildren and a great-granddaughter, whom he dedicated his life to. After serving his country during the Second World War, he worked most of his life as a farmhand. Come July Hec and Ida would have celebrated 57 years of marriage.

Hec believed in true Labor values and, in particular, equality and social justice. He carried them out within his community by helping the elderly: he cut their grass, did handy work, and on many occasions did the jobs they could not do or afford to have done. Even on occasions, and as a special treat, Hec and Ida would cook a little extra roast dinner to provide for elderly residents of Willaura.

He was also involved with the Willaura opportunity shop, meals on wheels, local sports clubs and the Willaura community hall, of which he was caretaker for 10 years. Terry's and my personal condolences go to Ida and her family on their sad loss. Farewell to a really true believer.

Western Port Highway, Lyndhurst: traffic control

Hon. R. H. BOWDEN (South Eastern) — I wish to again restate my strong disappointment at and disapproval of the City of Casey and VicRoads over the rapidly deteriorating efficiency and safety of the Western Port Highway at Lyndhurst.

The Moreton Bay Boulevard intersection with Western Port Highway is dangerous, and those traffic lights simply have to be removed in the interests of public safety. They are dangerous and they should not be allowed to continue to operate. Both VicRoads and the City of Casey deserve strong condemnation for their refusal to even revisit that issue, and I will keep calling for it until safety there is improved.

I also would like to suggest that VicRoads, the City of Casey and Victoria Police — the divisional headquarters at Dandenong and the local office at Narre Warren — could take a good look and try to work together in a joint action program to improve the safety of the Hall Road intersection with the Western Port Highway and the Thompsons Road intersection. At peak traffic times in the mornings and evenings the density of traffic and the complexity of the non-free flow of traffic in that vital area leads to a great deal of concern.

I ask that VicRoads and the City of Casey begin to be responsible and understand their need to improve safety there. The assistance of Victoria Police would be greatly appreciated.

Australian bravery decorations

Ms MIKAKOS (Jika Jika) — An aspect of being elected a member of Parliament that I greatly enjoy is the opportunity to meet ordinary Victorians who have done extraordinary things.

Last Friday I had the honour to represent the Premier at Government House for the presentation of the Australian bravery decorations by John Landy, Governor of Victoria. The Australian bravery decorations were created in 1975 as one of the original elements of the then completely new Australian system of honours and awards.

The following people were awarded the Bravery Medal, which is offered for acts of bravery in hazardous circumstances: Rodney Barber; Susan Healey; Michael McKinnell; the late Daniel O'Donnell; Leading Senior Constable Gary Squires; Philip Campbell, and Sergeant Stephen Thompson, who was also awarded a group citation for bravery.

The following people were awarded the Commendation for Brave Conduct, which is conferred for acts of bravery that are considered worthy of recognition: Madaline Healey; Senior Constable Andrew Adams; Samantha Atkinson; Brenda Caserta; Reginald Goldfinch; Troy Gray; Terrence Marshall; Michael O'Brien; Kevin Stipkovic; and Glenn Taylor.

Lastly, 15 awardees comprising members of Victoria Police, paramedics, the search and rescue squad, State Emergency Service and the Country Fire Authority were awarded with a Group Bravery Citation, which is conferred for a collective act of bravery by a group of persons in extraordinary circumstances.

I commend each of these women and men for their extraordinary acts and for not hesitating to put their lives at risk in order to ensure the safety of others.

Statements interrupted.

DISTINGUISHED VISITOR

The PRESIDENT — Order! Before I call the next member, I wish to acknowledge in the gallery Kay Setches, former Minister for Conservation, Forests and Lands, and Minister for Community Services. Welcome, Kay.

Statements resumed.

Australian Labor Party: state conference

Hon. RICHARD DALLA-RIVA (East Yarra) — I rise to congratulate the ALP for its conduct at the ALP state conference, held just last weekend. It probably demonstrates the capacity of this government and the way that it conducts government business. It demonstrates that it is totally factionalised; it is about power broking, it is about establishing who can make what position where.

This is no more demonstrated than at page 1 of yesterday's *Age*, which outlines that the dirty linen was well out there in the public record. The Premier was labelled a 'hypocrite' and senators were accusing each other of 'sheer, breathtaking hypocrisy' in creating branch stackers.

Senator Carr responded by saying that the right had 'failed to act on corruption'. We had the right saying in that it used its numbers to pass a motion condemning the ALP president, who is a left-wing union member. We had Mr Daly suggesting that there had been two break-ins last week at the union's office. We had a state ALP backbencher, the member for Derrimut, complaining to police about the presence at the conference venue of a relative of his. We had a veteran state ALP backbencher, the member for Keilor, complaining about forged documents et cetera and saying, 'You evil man'; and we had Kelvin Thomson; and the list goes on. It demonstrates that this government does not stand for Victoria. It stands for the

union first, factions second, the ALP third and Victorians are sadly last on — —

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

Cobram Italian Social Club: harvest dinner

Hon. KAYE DARVENIZA (Melbourne West) — I want to inform the house that on Saturday night I was delighted to attend the Cobram Italian Social Club's 2005 harvest dinner along with my parliamentary colleague the member for Murray Valley in the other place. The Cobram Italian Social Club has certainly come a long way since it opened its doors some 40 years ago to allow a few local Italians to play bocce and to arrange a few social events. Over the years this club has opened its doors much wider and shared with the local community, allowing others in the community to be part of the fund and staging cross-cultural social and sporting events that attract people from all walks of life. The club also enjoys interest from individuals and businesses for social functions.

I congratulate the Cobram Italian Social Club, particularly the club's president, Mr Dominic Siciliano, and the committee of management for hosting a truly enjoyable evening that was filled with music, song, fantastic food and lots of dancing. Congratulations to all those involved in putting on the 2005 Cobram Italian Social Club harvest dinner.

Water: Ouyen recycling project

Hon. B. W. BISHOP (North Western) — Today I inform the house of the innovative and forward thinking of the Ouyen community, which has put forward three proposals for the reuse of return water from the waste treatment plant. The community-based proposal is to request funding for the reuse of return water for watering projects at a wide range of recreational and community facilities, including the Blackburn Park Recreation Reserve, which is a football ground; the Mildura Rural City Council's parks and gardens; the Mallee Track and Community Health Services complex; the Ouyen bowls, harness, golf and tennis clubs; Ouyen Secondary College; Ouyen Primary School; and St Joseph's Primary School. It is important to note that currently these groups are forced to use high-quality water from the northern Mallee stock and domestic pipeline to water these recreational and community facilities.

The committee quite rightly states that this project is a priority as it will create substantial water savings — to the tune of 80 megalitres — and assist in addressing

environmental issues by utilising wastewater. The local water authority, Grampians Wimmera-Mallee Water, has accepted the proposal and now the committee is seeking funding for the project. I call on the Minister for Victorian Communities, the Honourable John Thwaites in the other place, to bring his ministers together to provide appropriate funding for this worthwhile community project.

East Timor: royalty sharing agreement

Ms ROMANES (Melbourne) — While the federal coalition government is delivering through its recent budget \$21 billion of tax cuts to the wealthiest Victorians and removing \$2.5 billion in tax surcharges, at the same time it is tightening the screws on single parents and people with disabilities and adopting a mean and bullying attitude to East Timor in negotiations about how revenues from oil and gas fields in the Timor Sea will be divided. This is despite the fact that East Timor is one of the most impoverished nations in the world, where 12 in every 100 children die before their fifth birthday, life expectancy is 57 years, nearly 50 per cent of the people are unemployed and more than half are illiterate. The federal government is acting against the existing and widespread goodwill for East Timor among people of Australia, the overwhelming majority of whom want to see a fairer share of Timor Sea oil and gas revenues go to East Timor.

The *Age* in its editorial yesterday put forward lots of good reasons why it is in Australia's interest to reach a generous agreement with East Timor over how royalties will be split. I know there are many members of the opposition in this house who agree with the *Age* and with Australian sentiment that Australia needs to show more generosity over the disputed oil and gas fields. I urge opposition members to pressure their federal colleagues to — —

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

Library Week

Hon. J. A. VOGELS (Western) — This is Library Week in Victoria, but it is Library w-e-a-k as far as funding is concerned from the Bracks government. The Minister for Local Government is fooling nobody when she stands up here and congratulates herself and the government on the increased funding being made available for library services.

The Municipal Association of Victoria (MAV) president, Geoff Lake, said after this year's budget that he would seek the endorsement of the governing body

to send a strong message to the state government over its negligence towards library services in Victoria. Local government has been propping up library services, which are crumbling under the strain of the increasing costs of infrastructure, staffing, IT and book stocks. Meanwhile the state government has decreased its real investment in public libraries from funding 50 per cent of service costs to 20 per cent. When the minister rabbits on about how much extra money the Bracks government has invested in libraries since 1999 she fails to explain that the increase can be measured in single figure percentage terms. What she fails to mention, of course, is that since 1999 state revenues have increased by 52.5 per cent.

The Liberal Party has a policy out now which would increase library funding by \$50 million, or 80 per cent, for each individual library corporation or council that runs a service. It is Library Week. The minister should stop the spin, listen to the MAV, and address the black hole in library funding. People of all ages and backgrounds deserve an opportunity to learn and to engage with their community, and libraries provide the perfect setting.

Government: financial management

Mr SOMYUREK (Eumemmerring) — I rise to commend the Victorian Treasurer and the Premier for once again achieving a AAA credit rating, as reaffirmed last week by rating agency Moody's Investor Services. Moody's credit opinion on the state of Victoria's finances found there had been a strong financial performance and prudent fiscal management, which was underpinned by the state's AAA credit rating. Moody's report noted Victoria's diverse economic base as a strong contributor to economic growth. I quote from the report:

Victoria's sizeable and diversified economic base amply supports its financial operation.

Economic expansion (in Victoria) is still expected to exceed the national average, boosted by business investment and consumer spending.

International ratings agency Standard and Poor's also reaffirmed the states AAA credit rating following the state budget. Standard and Poor's rates around 180 regional governments in the developed world outside of the United States of America, and of those only 16 per cent are rated AAA. It is good to see that Victoria is among that 16 per cent.

The AAA credit rating is one of the strongest endorsements a government can have of its fiscal strategy. Other economic data also proved Victoria was

in a strong financial position, including: increased building — —

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

Police: corruption and organised crime

Hon. C. A. STRONG (Higinbotham) — Police corruption is a major concern of the Victorian community and an ongoing scandal for this government, which fails to do anything effective to root out police corruption. I was disappointed, as I am sure were many Victorians, to see Monday's headline 'Police leak sparks deadly fears', referring to another leak about a police informant who, as the article says, was put in danger. The article goes on to say that one of the allegations about the government's much-vaunted Office of Police Integrity is a claim that an OPI investigator is corrupt.

Today's *Age* has more under the heading 'War on corrupt police is shackled'. It states:

Senior police have decided not to pass on any intelligence to Victoria's recently created independent Office of Police Integrity if the information has been gathered through phone taps.

Why? The newspaper quotes the federal Attorney-General saying quite clearly the office is in fact a rebadged exercise without the authority for police phone tapping.

Vietnam War Memorial of Victoria

Hon. S. M. NGUYEN (Melbourne West) — On the 30th anniversary of the Vietnamese community's settlement, on Saturday, 30 April 2005, at the Dandenong RSL, I was delighted to attend a special ceremony and blessing of the Vietnam War memorial statue side by side with the Governor-General, Major General Michael Jeffrey, who launched it. Many other members of Parliament, distinguished guests and community members were present. The statue was designed to thank and pay respect to 500 Australian soldiers who sacrificed their lives during the Vietnam War. The statue was strongly supported by the Vietnamese community. I was involved in assisting the community to raise funds to build this statue. The cost to build it was over \$40 000. Thanks to every member of the community and especially the Dandenong RSL and its members, John Wells, Steve Lowe and Jim Coghlan, who did a lot to get the project to go ahead and finished. The statue was strongly welcomed by the Vietnamese community. It should have been done a long time ago, but the committee struggled to find a

space and raise the money. This project was motivated when the Vietnam War memorial statue in Perth was completed. This is the third one in Australia.

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

Warrnambool May Racing Carnival

Hon. DAVID KOCH (Western) — I rise to congratulate the Warrnambool Racing Club committee for its fantastic three-day racing carnival. The club has excelled in developing a vibrant and exciting venue where thoroughbred racing at its best comes to the country. With total attendances of nearly 30 000 local, national and international punters, millions of dollars were injected into the economy. The Grand Annual Steeplechase is the highlight of the carnival for many racegoers and is one of the most challenging steeplechase events in the world. It is the longest thoroughbred race in Australia, being over 5500 metres with 33 jumps. Such a reputation has earned it international fame. The race this year was won by the 10-year old gelding, Frankoo Verymuch, a former pony club horse owned by the Bingham family of New Zealand, trained by John Wheeler and ridden by Brett Scott.

During the May racing carnival the \$50 000 Warrnambool Greyhound Classic is also run. This year the classic was won by Ace Hi Rumble from New South Wales, which is owned by Steve Kavanagh and trained by Darren McDonald. Having been recognised as a major event for many years, the Warrnambool racing carnival has now been granted hallmark status. This highly successful and well-managed event is of national significance and worthy of the status it has now gained on the state racing and tourism calendar.

PLANNING: MINISTERIAL INTERVENTION

For Hon. J. M. MADDEN (Minister for Sport and Recreation), Ms Broad, by leave, presented statement on ministerial intervention in planning matters, May 2004 to April 2005.

Laid on table.

PAPERS

Laid on table by Clerk:

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

Baw Baw Planning Scheme — Amendment C24.

Darebin Planning Scheme — Amendment C63.

Kingston Planning Scheme — Amendments C51 and C53.

Latrobe Planning Scheme — Amendment C36.

Loddon Planning Scheme — Amendment C15.

Mitchell Planning Scheme — Amendment C37.

Moreland Planning Scheme — Amendment C33.

Mornington Peninsula Planning Scheme — Amendments C42 Part 2 and C65 Part 2.

Subordinate Legislation Act 1994 — Minister's exemption certificates under section 9(6) in respect of Statutory Rule Nos. 23, 28 and 29.

Proclamations of the Governor in Council fixing an operative date in respect of the following Acts:

Gambling Regulation (Amendment) Act 2004 — Sections 4, 5, 8, 10, 11, 12(1), 12(2) and 12(4) — 20 May 2005 (*Gazette G20, 19 May 2005*).

Gambling Regulation (Further Amendment) Act 2004 — Sections 9, 10, 11, 12 and 41 — 20 May 2005 (*Gazette G20, 19 May 2005*).

Planning and Environment (General Amendment) Act 2004 — 23 May 2005 (*Gazette G20, 19 May 2005*).

BUSINESS OF THE HOUSE

Standing orders

For **Mr LENDERS** (Minister for Finance),
Ms Broad (Minister for Local Government) — I move:

That —

- (1) the Standing Orders Committee be required to undertake a review of the standing orders and make recommendations for new and/or amended standing orders;
- (2) the committee present its report on the review to the Council no later than the first sitting day in 2006;
- (3) the committee have power to confer with the Standing Orders Committee of the Legislative Assembly regarding a review of the joint standing orders and to report jointly thereon to the house.

In addressing the motion, I would indicate that as advised to the parties the government has determined to refer these matters to the committee for its consideration to undertake a review and to report back to the house.

Hon. PHILIP DAVIS (Gippsland) — I will firstly indicate that the opposition will not oppose the motion. In so doing I take the opportunity to indicate to the house it will be no surprise that the opposition has been extremely disappointed with the approach of the government to the progressive changes to sessional orders which have been introduced by the government over the course of this Parliament.

I would like to think — probably a faint hope indeed — that the government's approach to a review of the standing and sessional orders will be something that would be done with a spirit of bipartisanship and cooperation which has not thus far been displayed in the operation of this house as a consequence of the unilateral approach that the government has taken up to this point. Therefore I am flagging that the opposition will certainly cooperate in the Standing Orders Committee and will endeavour to bring a pragmatic and objective approach to dealing with the review, which we will in all hope and expectation consider will be reciprocated.

If that is the case, I am sure this will be a useful exercise. But if it is the case that the government has a preconceived outcome in mind in terms of the way this review should be undertaken and what the outcome should be, clearly it will be difficult for the Standing Orders Committee to be able to have sensible dialogue. I should flag now that obviously we will oppose any amendments that the government tries to push through or, as we have seen in the past, ram through in terms of the way the house operates. I might say that specifically the things we have been concerned about have been the introduction in this Parliament of the regular use of the gag, the occasional use of the guillotine and, more importantly, the perpetual threat of the guillotine being applied. I do not think they have at all contributed to the effective consideration of legislation in the upper house, the house of review. It is an indictment of the government that it went to an election talking about making the Parliament and the upper house a more effective place of legislative review when what it has done by its actions has been to diminish the role of individual members and of the house as a whole in that scrutiny of executive government.

I look forward to this process, and I look forward to working on a committee with Mr Viney for the first time. While I have a lot of interface with the Leader of the Government as the operation of the house necessitates, it has not been my joy or pleasure to have had any significant interface with Mr Viney before, so I am going to learn a good deal about his character during this process, as indeed I will about the other members of the committee. This is a seminal process in

terms of getting an outcome that members of this Parliament can look to for the effective consideration of all matters of public interest, public policy and executive government concerning this Parliament into the future. I enter into this process at this point with a spirit of cautious goodwill and therefore do not oppose the motion.

Hon. D. K. DRUM (North Western) — The Nationals will also not be opposing this motion. We hope the government takes a balanced approach when it refers this inquiry to the Standing Orders Committee. Obviously the face of this government has changed quite considerably since the last election with the advent now of two Independents, and we understand that in the future obviously this chamber has the real potential to change even more significantly. We therefore need at this inquiry and the review that is to be undertaken a report that reflects not only a workable Parliament of the minute, but a Parliament that will be workable into the future. We need that in order to govern correctly for all Victorians. We need to look after the interests of the government of the day and also the major opposition party. We also need to look at the potential that there could be Independents in this chamber again, and there could be smaller parties representing Victorians in this chamber as well. We understand that the responsibility of the Standing Orders Committee to create that democratic and working chamber is very much going to rest with this report. We expect a robust debate within the parliamentary committee, and we look forward to the review and the finding that is brought forward.

Mr VINEY (Chelsea) — I will not take up much time of the house, but at the invitation of Mr Davis I did feel the need to make a couple of comments. I certainly appreciated the concurrence of the house last week with my appointment to the committee. Can I say in response to some of the comments from both the Leader of the Opposition and the Deputy Leader of The Nationals that it is the intention of the government, as it has always been, for this review to be a genuine one. I think it is important to put on the record that the context of this review is the decision of the Parliament to make some very important structural reforms of this house. I pick up the comment of Mr Davis in relation to the role of this house as a house of review. It is my view that that is not something that this house has done all that effectively over its history and that part of the reason is that of the structure and the method of election to this chamber.

What we will see after the next election is a chamber that is more democratically elected through a proportional representation system and a very different

structure. There is an opportunity between now and November 2006 for members of this house to genuinely come together in a bipartisan way to consider the implications of that on the standing orders and the methods of operation of this chamber, and to make sure that we can put in place a set of standing orders, hopefully by agreement of all the parties, that will enhance the capacity of this chamber to be a genuine house of review, consistent with the broad opinion proposed by the constitutional commission and consistent with the broad principles that the government put into place when it undertook the structural reform of the Legislative Council.

I welcome the opportunity to be a part of it. I also welcome the opportunity to work with Mr Davis and members of The Nationals as well as other members of the government in that process. I am sure if we work together within that spirit of making sure we have a chamber worthy of being known as a genuine house of review, we will be able to achieve considerable benefits for the Victorian community into the future.

Ms HADDEN (Ballarat) — I do not have the same confidence in the motion and the outcomes of the Standing Orders Committee as Mr Viney does. I see this motion as a Dianne Hadden motion, similar to the Dianne Hadden motion that was brought into this place by the Leader of the Government on 5 May. That motion, as the house will recall, was to stack the Victorian parliamentary Law Reform Committee with two more Labor Party members — not a very wise thing to do — and, of course, both those Labor Party members are paid a sitting fee, as distinct from myself, an upper house country member. I have one of the greatest distances to travel, as does Mr Koch on the committee, so I do not have my snout in the trough on the Law Reform Committee like the two extra Labor Party members will no doubt have because they will be paid a sitting fee.

As I said this motion is clearly aimed at me — a truly Independent member of this house. It is the Dianne Hadden motion. It is unfortunate that the Standing Orders Committee does not reflect the true composition of this place. Who on this committee will be looking after my interests as a truly Independent member of this place? It certainly will not be the government members. Why do I not have a place on this committee, which will determine the sessional orders, standing orders and rules of practice of this place, both for the rest of this 55th Parliament and beyond for the 56th Parliament? I do not see a spirit of balance, bipartisanship or cooperation in the make-up of the committee, which should truly reflect the make-up of this place. I will not pull any punches: I see this Standing Orders Committee

as being a government policy committee. The outcome will probably be similar to the result of the Labor Party task force on alpine grazing. This motion is about politics and political power; it is about control by the Labor government. It has nothing to do with reform of this chamber or with improving the operations and practices of this place.

The government has waxed lyrical about proportionality and what it says it means, but I and others on the opposition and Independent benches say what the government really means by proportionality is paranoia. It is paranoid about control and about losing control of this place. Its idea and definition of proportionality is that I am always last. I am always last to speak on a bill and I am not even recognised as a member of this place on the general business program. Let us look at democratic operations and principles for this place and stop the hypocrisy coming from the government members. I only get to speak on general business motions through the generosity and democratic thinking of the two opposition parties — the Liberal Party and The Nationals. But for them I would not be able to make a valuable and valued contribution on general business motions.

It is obvious that the government, and especially the Leader of the Government, does not want to have me included in any of the sessional orders or standing orders of this place. The Standing Orders Committee is controlled by the government, and I notice from item (3) of the motion it wants the power to confer with the Standing Orders Committee of the Legislative Assembly, which is also government controlled, so we really do have an ALP policy committee — let us come to the reality here.

I remind members of the Constitution Commission Victoria report headed by George Hampel in 2002, and that this is a house of review. It is not an electoral college to be used and manipulated by the government majority for its own purposes and paranoia about control. This house is not and should never be used as a rubber stamp by government members. Voting should not be according to party political allegiances but, of course, we know it is. That was the issue raised by the constitution commission in its very learned 2002 report. It says that when a government has a majority in both houses and voting is purely on party lines it is a numbers game — there is no genuine review and no effective scrutiny of bills. We can see that in this place, and I have especially seen it since I became an Independent. I am the only one who reads bills. Government members would not even know how to do that. It is obvious from their contributions that they do not read the bills, and they do not even read the

second-reading speeches either, which is an absolute disgrace.

The constitution commission said this house should hold the government to account in the interests of the community. I do not see that at all from the members on my left. George Hampel and his commission members also said this house should provide the strongest possible voice for a wide range of community concerns. The members on my left and on your right, President, fail dismally in that regard. I bet they have not even read the constitution commission report; they would not even know what it looks like.

I do not have confidence in this committee. It does not represent me or my constituents, and it does not reflect the true composition of this place. I do not have the same confidence that it will hand down anything other than a government paranoia controlled report, probably similar to the alpine grazing task force report, truly and purely on Labor Party policy lines. We will probably see a similar result as last Saturday's ALP state conference, with disgraceful conduct by senior members of the Labor Party.

While I do not oppose the motion, I have absolutely no faith in it. It is a disgrace that the Leader of the Government, the Honourable John Lenders, has the audacity to even move the motion in this place.

Ms ROMANES (Melbourne) — I am very pleased to say a few words on the motion, being a member of the Standing Orders Committee from the government side. I am the only member of the current Standing Orders Committee who participated in the Standing Orders Committee of the 54th Parliament. That was quite an historic time, because the previous Standing Orders Committee undertook a major review of the standing orders — the most comprehensive review of the standing orders since 1924. We worked across party lines — Labor, Liberal and National parties — on the Standing Orders Committee of the 54th Parliament to modernise the standing orders that we now use in this house to make the language gender free; to make the language plainer English; and to make the standing orders more usable. We worked collaboratively and cooperatively to reach agreement on the quite substantial changes that were needed to the standing orders in the previous Parliament. We delivered a unanimous report from all sides of the house.

On that occasion the opposition had the majority in this house, and it was in its interests to work collaboratively. The task of the Standing Orders Committee that will embark upon its work is to look at the standing orders that might govern this chamber when Parliament

resumes after the election in November 2006. That will represent somewhat more of a challenge, particularly for the opposition which does not have the numbers.

I look forward to working with members of the opposition to look at the new circumstances and opportunities that are presented by the changes brought about by the Constitution (Reform) Act 2003 and to look at how we can all work together to strengthen the review function of this chamber and to add value to the work of the Parliament through the Legislative Council.

Given the debate that happened before, I assure the house that Labor members are not on this committee to get a \$30 sitting fee — that does not happen. There are no fees connected with this committee. Rest your case, Ms Hadden.

Motion agreed to.

LOCAL GOVERNMENT (AMENDMENT) BILL

Second reading

Ordered that second-reading speech be incorporated on motion of Ms BROAD (Minister for Local Government).

Ms BROAD (Minister for Local Government) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

The chief executive officer

The chief executive officer of a council is an important position. The CEO is appointed to (among other things) be responsible for the day-to-day management of the council's operations in accordance with the council's corporate plan.

Under section 95A(2) of the Local Government Act 1989 a CEO must be employed under a contract of not more than five years duration.

Before they can appoint a person as CEO, councils are required to advertise in a Victoria-wide newspaper seeking applications for the CEO position and to consider all applications received.

An exception to this requirement, however, is where a council decides it is happy with its current CEO and does not need or want to test the market or find a new CEO.

In that case section 94 of the Local Government Act 1989 provides that the council may pass a resolution within the final six months of the CEO's contract to reappoint the CEO. The council must give 14 days prior public notice of the resolution and make the details of the CEO's total remuneration available for public inspection.

Another exception to the requirement to advertise the position is where the CEO is appointed in an acting position for no more than 12 months.

A CEO's employment contract is void if it is made contrary to section 94 of the Local Government Act 1989 or if the council makes a new employment contract with the CEO any earlier than six months before the expiry of the current employment contract.

Key issues

There have been several recent incidents where councils have varied their employment contracts with their CEOs, thus shortening the contracts' duration so that the six months during which the councils could reappoint without advertisement commenced within the term of the current council.

This meant that the CEO could be reappointed prior to the general election for a period of up to five years.

It is undesirable in principle for an incumbent council to seek to bind the hands of an incoming council in relation to the holder of the CEO's position by varying the expiry date of the employment contract.

This is an important policy matter — a contract of employment should not be manipulated expressly to allow the incumbent council to make a decision that should be in the hands of the new council and that the public have an expectation will be made at a later date.

Caretaker provisions

This action by councils is also inconsistent with the spirit of provisions introduced into the Local Government Act 1989 by the Local Government (Democratic Reform) Act 2003. Pursuant to section 93A of the Local Government Act 1989 councils must not make a 'major policy decision' during the 'election period' for a general council election, subject to the Minister for Local Government's power to grant an exemption from the application of that provision in 'extraordinary circumstances'.

A 'major policy decision' includes any decision relating to the employment or remuneration of a CEO (other than the appointment of an acting CEO) and to terminate the appointment of a CEO.

The purpose of section 93A is to extend to local government the concept of a caretaker period prior to an election, reflecting public policy considerations. The main purpose of caretaker arrangements is to enable governments to avoid the controversy that may accompany decisions made immediately prior to an election, where those decisions would limit the options for an incoming government.

The bill

The Local Government (Amendment) Bill 2005 addresses this issue, amending section 94 of the Local Government Act 1989 to provide that a contract with a CEO is void if it is made:

before the general election for a term that continues after the general election; and

the contract of employment was entered into following a variation made to the chief executive officer's current contract of employment that reduced its term.

This bill will prevent councils from varying CEO contracts to bring forward expiry dates to before election dates, thus allowing them to reappoint incumbent CEOs.

I commend the bill to the house.

Debate adjourned for Hon. J. A. VOGELS (Western) on motion of Hon. E. G. Stoney.

Debate adjourned until next day.

TRANSPORT LEGISLATION (FURTHER AMENDMENT) BILL

Second reading

Ordered that second-reading speech, except for statement under section 85(5) of the Constitution Act, be incorporated on motion of Ms BROAD (Minister for Local Government).

Ms BROAD (Minister for Local Government) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

This bill provides for the introduction of a workable third-party access regime in Victoria to facilitate increased rail competition critical to the success of Victoria's grain, other commodities and intermodal traffic. These reforms were foreshadowed when the Victorian government approved the transfer of the lease over the intrastate rail network to Pacific National in August 2004.

Following extensive consultation with stakeholders and the community the Bracks government is committed to the implementation of new access arrangements to facilitate on-rail competition and promote the growth of rail and increased investment in the network for Victoria.

The existing Victorian rail access regime was established as part of the 1999 rail reforms in which the track was leased by the Kennett government for a 45-year term to Freight Australia, a vertically integrated rail freight business. The regime proved unworkable. No other freight operator has been able to gain access to the tracks now leased by Pacific National to operate competing freight services. In 2004, when Freight Australia was sold to Pacific National the sale was approved on the understanding that a new rail access regime would be implemented to deal with the shortfalls of the current regime.

The most fundamental change is that the new legislation will provide for a hybrid 'ex ante' and 'negotiate and arbitrate' model for the determination of terms of access. An access provider will submit an access arrangement setting out the standard terms and conditions including price for standard access services (reference services) to the Essential Services

Commission for approval. Once approved, this will provide far greater certainty for prospective access seekers through a public set of reference prices for standard services without the need to negotiate in detail with the access provider. Prices will be required to be consistent with pricing orders which will be made under the act.

The access provider and access seekers will be able to negotiate terms of access for non-standard services and seek arbitration of disputes by the Essential Services Commission if required, as at present.

Rules and guidelines are to be established by the Essential Services Commission to facilitate the new regime. These will include rules to mitigate hoarding of train paths by requiring that the access provider surrender unutilised and underutilised paths, and negotiation guidelines.

The new legislation will allow a person to seek access to declared services provided by rail infrastructure owned or controlled by access providers and includes the obligation for access providers to do all things reasonably necessary to facilitate the interconnection of private railway sidings and railway track to access providers' railway track. Through its dispute resolution procedures the bill provides for the timely and efficient arbitration of access disputes.

Under the new arrangements there will be a greater separation of the access provider and its rail services businesses through the establishment of ring-fencing rules to require the access provider to establish an internal organisational structure so that the business group responsible for managing the network and access is separate from and accounted for separately from, the above rail businesses.

There is also a requirement that the vertically integrated access provider engages in explicit internal transfer pricing with its above rail business.

The new legislation will ensure the access provider is obliged to provide necessary information to the Essential Services Commission and to access seekers. Confidential information obligations, enforcement provisions incorporating a civil penalty regime, and other ancillary matters are also included in the legislation.

The government is confident that the new regime will successfully address the current shortcomings and provide the framework for fair and workable third-party rail access.

Section 85 of the Constitution Act

Ms BROAD — I wish to make a statement pursuant to section 85(5) of the Constitution Act 1975 outlining the reason for altering or varying that section.

Clause 7 of the bill states that it is the intention of section 38ZZZC to alter or vary section 85 of the Constitution Act 1975.

Section 38ZZZC provides that a person may not bring civil proceedings in respect of a matter arising under part 2A of the act except in accordance with division 8. The provision further provides that the Essential Services Commission may bring civil proceedings in respect of a penalty provision. The term 'penalty

provision' is defined in proposed new section 38A which is being inserted into the Rail Corporations Act by clause 4 of the bill. The effect of division 8 is that the Essential Services Commission is the only person that may bring civil proceedings in respect of contraventions of penalty provisions, including proceedings for injunctions and declarations. A contravention of a civil penalty attracts a pecuniary penalty not exceeding \$1 million.

The reason for limiting the jurisdiction of the Supreme Court by this section is that the Essential Services Commission as the regulatory authority on whom the function of administering and enforcing the obligations under part 2A is conferred should be the only person with authority to enforce contraventions of a penalty provision.

Incorporated speech continues:

The bill also makes essential validation and other necessary amendments to secure the proper operation and effect of the Transport Act 1983 as it relates to compliance and enforcement on Victoria's public transport system.

The act and regulations contain a range of offences to enhance public transport by improving safety and security, reducing fare evasion, improving passenger amenity, protecting property and enabling appropriate and effective compliance and enforcement activity. Part VII of the act establishes a framework which was introduced by the Rail Corporations (Amendment) Act 1997 to provide for enforcement of the act and regulations by authorised officers employed by accredited passenger transport or bus companies. This was done as part of the privatisation of the public transport system.

It is essential for the proper operation of these provisions that appropriate accreditations, authorisations and delegations required by the act are in place and that they are technically and administratively sound and valid.

A decision made in the case of *Arachichi v. Clark* in the Melbourne Magistrates Court on 14 February 2005 cast doubt on the validity of the authorisation of the authorised officers concerned to exercise enforcement powers under the Transport Act. As a result the Department of Infrastructure reviewed relevant accreditations, authorisations and delegations relating to public transport compliance and enforcement. The review also raised wider concerns about the validity of company accreditation and the authorisation of the authorised officers they employ, the issue of infringement notices by the Department of Infrastructure and the use of powers by authorised officers for enforcement and prosecution purposes. It indicated that there is an argument that some or all accreditations, authorisations and delegations have been technically voidable since 24 August 1999 in the case of accreditations and since 1 July 1983 for authorisations and delegations.

Consequently, it is arguable that past and present infringement notices, prosecutions and enforcement actions relating to public transport may be subject to legal challenge due to purely technical defects.

It is essential that the house move swiftly to rectify these matters to secure the past, present and future enforcement of public transport offences which is in jeopardy unless immediate and appropriate validation legislation is passed.

Accordingly the bill amends the Transport Act to validate the appointment of authorised officers and actions taken by them for the purpose of enforcing transport and ticketing laws under part VII of the act. It also validates the accreditations of passenger transport companies and bus companies and the actions taken by them during the period they were arguably not validly accredited under division 4A of part VII of the act. However, the bill expressly preserves the rights of the defendant in *Arachichi v. Clark* including the rights of that person as a plaintiff in a related civil action.

I wish to make a statement pursuant to section 85(5) of the Constitution Act 1975 outlining the reason for altering or varying that section. New section 255G of the bill to be inserted by clause 16 states that it is the intention of section 246CZC to alter or vary section 85 of the Constitution Act 1975. Section 246CZC provides that a person may not bring proceedings (whether criminal or civil) for any matter or thing that, by reason of the operation of sections 246CA to 246CZB is deemed to be valid or lawful or to have been validly or lawfully done. The effect of sections 246CA to 246CZB is that anything done or purported to be done by a person purportedly appointed or authorised as an authorised officer is deemed always to have had the same force and effect as it would have had if the person appointing that person and the person had been validly appointed or authorised. Similarly section 246CT regularises accreditations given or purportedly given by the secretary in the past and sections 246CU to 246CZB affirm the validity of prosecutions, authorisations, evidence and delegations effected, arranged or undertaken by past and present persons and organisations with responsibility for public transport compliance and enforcement.

The reason for limiting the jurisdiction of the Supreme Court by this section is to eliminate the possibility of persons bringing proceedings or defending prosecutions founded on possible technical defects relating to accreditations, authorisations and delegations. The public interest is served best by concentrating effort on sound administrative platforms going forward rather than enabling the diversion of resources towards the defence of legal actions about past technicalities.

I commend the bill to the house.

Debate adjourned for Hon. R. H. BOWDEN (South Eastern) on motion of Hon. E. G. Stoney.

Debate adjourned until next day.

LONG SERVICE LEAVE (AMENDMENT) BILL

Second reading

**Debate resumed from 18 May; motion of
Mr GAVIN JENNINGS (Minister for Aged Care).**

Hon. C. A. STRONG (Higinbotham) — In rising to speak on the Long Service Leave (Amendment) Bill I indicate that the opposition will be voting against the bill. Essentially we are intending to do so because it is simply another impost on the cost of doing business in Victoria.

When we look at the nature of business around the world and the nature of so many enterprises which are part of the economy of Victoria, we see that a great many of them are coming under very significant competitive threats from industries around the world. Anything that we do that puts a further impost on Victorian business — whether it be an impost of a financial nature or of an administrative nature, whatever the impost is — further disadvantages the businesses of Victoria, the economy of Victoria and the opportunity for work and employment by the work force and citizens of Victoria.

Anything that does that has to be considered very carefully and reviewed in significant detail as to the state of the world marketplace in the very competitive world we live in. If it fails to meet the tests of being positive to the Victorian economy and Victorian business, we have to be very circumspect about putting such extra shackles onto business. We live in a very competitive world at the moment. If we look at the most successful economies of the world, we will see that the truth is they have the fewest shackles on them. For many years the United States of America's economy has without question driven the world economy. It is an economic structure that has a minimum of impediments, shackles, chains and regulations on the labour market as well as a minimum of the regulatory issues that tend to frustrate business. If we look at countries that are forging ahead in our region we see that China has quite clearly undone the regulatory and control shackles on many of its industries, and that even India, which for many years had one of the most regulated and controlled economies, based on the Stalinist model, has lifted those restrictions and has had a burst of growth and prosperity such as it has never seen before.

When we compare that with many of the European economies, and when we read that Germany is in significant trouble with its highly regulated and inflexible labour market, as is France, we can see that all these costs, imposts and a lack of flexibility in a labour market inhibit the growth and opportunity for people to get good, well-paying, fulfilling jobs. This is just another of those things that will be an impediment to Victoria and Australia in the very fragile, competitive situation we are now in.

Mr Smith — What are the extra costs?

Hon. C. A. STRONG — Mr Smith says: ‘What are the extra costs?’ I will get to those in a moment, because in fact there are extra costs, and if he does not believe there are then he is not able to think through the issues appropriately. When you look at the economies and industries around the world that are succeeding, you see that you need different solutions for different businesses, for different companies and different workplaces. No longer does one size fit all. What you are seeing more and more is a move away from this one-size-fits-all approach. The new awards that will be coming through will have less and less conditions on them. There will be a small number of core issues to be dealt with, so there will be flexibility within them. This flexibility is the key thing, and it can vary from workplace to workplace and from industry to industry.

The tradeable goods sector, where we are competing with very aggressive markets overseas, is one sector where the cost structure that we put in place has to be able to respond to the international competition, otherwise there simply will not be indigenous businesses in those areas. But there are businesses in the non-tradeable sector where the level of benefits and regulation and so on can be significantly greater and not be an impediment to an industry, workplace or business. Nowhere is that more so than in the building industry, which is clearly in the non-tradeable sector, and many of the benefits this bill seeks to put in place which enhance the long service leave payout — and its cost — already exist in that industry.

Whatever you might think of the bill, it is not going to affect the building industry, because it is in that non-tradeable sector which does not suffer huge competition from overseas countries which have more deregulated, flexible and responsive labour markets. However, where you are in a business in a sector or workplace that is directly competing with overseas operations which do not have these impediments and inflexibilities you need to step back and not overburden that sector with these things. This one-size-fits-all approach is therefore anticompetitive. If we look at some of the things that are happening here we see a very significant change in the work force. We are getting a more dynamic and flexible work force, with a greater number of casuals being employed and people having much greater flexibility of movement. People are moving from one enterprise to another and from one workplace to another to respond to the needs of the market and to competitive pressures from both here and overseas.

So in truth, in this day and age, some of the old-time rationale for being in a job for 15 years is a bit of an anachronism. To stay ahead we have to be flexible, and that applies not just to industry or to the workplace but also to individuals who work in that particular enterprise. To stay ahead individuals also must be flexible. They must be prepared to move from one enterprise to another and to take advantage of any situation that comes before them.

As I say, this is legislation that is a bit more appropriate to the 1970s and 1980s than it is to the year 2005. It requires more administrative effort. It will simply involve industries in more costs. It will impact on different sectors quite differently. The point has been made to me very strongly by various employers that it will quite dramatically impact on women in the work force, that it will be a very significant disadvantage to employing women in the work force, and I think this is an inappropriate and sad thing.

A certain number of people have written to me with various opinions on this particular piece of legislation. I would like to quote from one, which is a document that has been forwarded to me from the Victorian Automobile Chamber of Commerce (VACC), which covers various issues. It particularly deals with some of the ones I have been talking about — for example, this flexibility and this changed environment of the industry and the workplace, and how because this organisation is out there doing the work it knows about this and is able to comment and have a view on it. It is very critical of the government’s consultation on this bill. I would like to quote from an email I received from the VACC only today which says in part:

The government released a discussion paper in early 2005 inviting comment within a tight short time frame. To date the government has not responded to the submissions which were due in February or in any way publicly stated its position to changes to Victoria’s long service leave legislation. There has been no consultation with industry; so what was the point of the discussion paper? Instead the government quietly introduces a bill to create new standards beyond what any state has done.

The government has made all these changes. It has put out a discussion paper. It has asked for people to comment on that discussion paper, and has simply ignored all their comments. It has failed to respond to them. It has just gone ahead and done exactly what it wanted to do anyway, or presumably what its union mates directed it to do.

I think the VACC also makes a very strong point in an email that was sent to me today from David Russell, senior manager, government and public affairs, where he states:

Even though Rob Hulls describes the bill as not changing the accrual rate, the bill reduces the time worked to become eligible and therefore significantly ... adds to the employer cost as well.

I think that is one of the key responses to Mr Smith's earlier inane comment that it will not increase the cost, because quite clearly it will increase the cost.

The other thing I would like to turn to quickly is that in his second-reading speech the minister went on at great length about how all these changes will help families, the new working environment, casualisation of the work force, how the changes to long service leave will be wonderful, that they will create more opportunities for people to take leave and spend time with their families. The speech ground on interminably about those issues.

I would like to ask members — and probably there are quite a few members on the other side of the chamber who may not have spent much time working — how many people there are that would stay in some sort of inappropriate or difficult job for the sake of long service leave 10 or 15 years down the track. Are there any employees out there today who are making a judgment on what job they are going to take, how long they are going to stay in it, or what profession they are going to accept, based on some benefit that will come some 10 or 15 years down the track? If any member thinks that I would say to them, 'Get a grip'.

The sorts of things on which people make a job decision are location, salary level, fringe benefits, job satisfaction, the best use of their skills, the sort of company it is, the sorts of people they will work with and the environment. They are all about the most immediate things that are on their horizon. They are about family issues now. They are not worried about the fact that in 10 years time they will be able to take some long service leave to spend with their children, they are worried about how they will manage in the workplace and with their children now.

Hon. R. G. Mitchell interjected.

Hon. C. A. STRONG — If Mr Mitchell thinks that is not the case, he does not have a clue. When people go into employment, they think about the things that will happen to them now. They are not thinking about some benefit that will come in 10 or 15 years time. All this mumbo jumbo from the minister in his second-reading speech about this being a significant issue for employment and flexibility is just that — absolute mumbo jumbo. What drives people to employment and jobs is the flexibility and the situation

they have now; they are not interested in something that is down the track.

Hon. R. G. Mitchell — Rubbish. Have you ever been in a factory?

Hon. C. A. STRONG — Anybody who says that is rubbish simply has no idea and has totally lost touch with how the workplace operates. They have no idea if they think that is not the case.

The main purpose of the bill is to amend the Long Service Leave Act 1992. I think in terms of long service leave being slightly anachronistic, some of the history of this bill is appropriate, because it amends the 1992 act and, as the minister said in his second-reading speech, the 1992 act substantially reflects the long service leave provisions of the 1979 Industrial Relations Act, and the majority of those provisions in the 1979 act, according to the minister's second-reading speech, were basically unchanged since the previous 1953 act. So we have simply on the record from the minister's second-reading speech a set of conditions which frankly are slightly anachronistic in the new flexible workplace in which we work today.

The current situation is that one accrues 13 weeks of long service leave after 15 years of continuous service. This does not change and so the accrual rate remains the same at approximately 0.086 weeks of service, but the extra cost comes in at the time when that entitlement can be accessed; and the way that entitlement is measured also increases cost.

What the bill essentially does is redefine continuity of service to allow for casual workers — various types of people who have flexible jobs. It also redefines the meaning of continuous service to include holidays, and maternity and paternity leave, and it changes how individuals can access that leave. In other words, if somebody ceases their employment before the end of the 15-year entitlement period for which they would normally access leave, they are able to access that leave when they have worked half of that entitlement period. The bill also allows people to access their long service leave after they have worked for 10 years rather than for the full 15 years of their entitlement period, so pro rata leave can be taken after 10 years. This is a perfect example of how the bill will increase the cost of long service leave, because a lot of people may take it after 10 years. That will bring the cost forward and will have an effect on businesses much earlier than it otherwise would.

The bill deals with employees such as casual and seasonal workers, which means that people who would

not normally be swept up in the long service provisions will now be covered by them. That will increase the cost of employing labour, because there will be a whole new class of people who will attract long service leave. If government members say this will not increase costs, I suggest they do some simple arithmetic. Quite clearly more people drawing long service will increase the cost of it. Mr Smith, who says this is not the case, must be slightly lacking in arithmetical skills. The penalties for non-compliance increase massively, yet nothing I have seen shows there has been any abuse of this system to support such massive increases in fines.

The bill allows pro rata access to long service leave at 7 years rather than at 10 years for employees who leave their jobs or are terminated, and because that will allow a lot more people to potentially access that benefit it will also increase costs. Anybody who thinks this will not increase costs has rocks in their head. The bill also provides that long service leave will be exclusive of public holidays. In other words, these public holidays will have to be paid as part of the long service leave entitlement, which did not happen before. Certainly if we are talking about long service leave over the Christmas period, when there are a lot of public holidays, this will very significantly increase the cost. There are many things that will increase the cost.

The first significant factor is the redefinition of continuous service. The main change is to include maternity and paternity leave within the period that is counted as qualifying a person for long service leave entitlements. This is written into the bill as being a great thing, but I must say that most of the people I have spoken to in industry already do that. In other words, maternity leave is not taken as being a discontinuity of service that would rule someone out of a long service leave entitlement. That seems to be the industry norm anyway, so although there is a change provided for in the bill I think there is probably no significant change in practice.

The bill specifically defines employees to include casual and seasonal employees and therefore has the potential to quite significantly increase the pool of workers who are covered by these provisions. It does this in various ways. It says that if there is a break of less than three months in some sort of casual work that is not a break for the purpose of entitlement to long service leave continuity. I turn to those provisions on continuity. Clause 9 inserts proposed section 62A (1)(a), which states that continuity requires:

there is no more than an absence of 3 months between each instance of employment ...

If the absence is less than three months then there is continuity of employment for a casual employee. Proposed section 62A(2) states:

Without limiting section 62, the employment of an employee who is employed by the same employer more than once over a period is to be regarded as continuous if the absences between instances of employment are due to the seasonal nature of the ... employment.

It further goes on to say that if by an agreement between the employer and employee or as part of the conditions under which he is employed there is a gap of greater than the three months, then that three-month requirement does not hold and his employment can be deemed to be continuous for the purpose of long service. That is a very significant change there.

Also there is another very significant change with casual employees. Certainly it is the case in the professional area, and from my own experience as well as generally in the work force, that casual employees get a significant loading to their salary to cover all things such as long service leave, holiday pay and so on. There is a very significant loading that casual employees have traditionally had — a loading which has been held to be appropriate by the industrial relations tribunals because it compensates for these benefits.

But now those casual employees will be able to potentially access some of these benefits like long service leave, and there is clearly an inconsistency. This is unfair because the employer is in fact paying them a loading to cover things like long service leave that they would not normally get, and now under this bill they are going to get it. It could be argued that the employers would be within their rights to say, 'We are going to reduce the loading that you get' — I think it is usually in the order of 25 per cent — and, 'We will reduce it by 5 per cent' or something like that, 'to compensate for your now getting long service leave'. Wait for the howl over that! All casual workers are going to want their loading much more than they are going to want some long service leave 15 years down the track. Anybody who thinks the opposite does not live in the real world. That is also going to have some cost effect.

One of the biggest cost imposts is the change that allows people to take pro rata long service leave on termination after 7 years rather than after 10 years. This will involve a significant extra cost because 7 years, compared to 10 years or 15 years, is a lot shorter duration, and more people will access the pro rata long service leave entitlements as a consequence of that provision. There is no question about that. That is why the provision is put in — so they can access it. It is

absolute nonsense for government members to say it will not increase imposts on business.

Even the bill recognises that it is going to have a very significant extra increase because it puts in place a whole lot of transitional arrangements because there quite clearly may well be people who have currently worked 7.5 years and would not be entitled to their long service leave until 15 years comes up, or 10 years pro rata. People will suddenly say, 'I can get this now if I leave. If I am terminated, I can get my pro rata long service leave whereas I would not have been able to get it before'. Who knows what is going to come of that? The government clearly conceived that there would be problems there because it put in transitional arrangements which phase in that seven-year period, so it will be a couple of years before people can fully access that seven-year period on a wedged-in arrangement.

Another big change is the assessment of hours worked. Essentially long service leave makes a payment to a person when they are on leave; that payment is related to the money they earn when they are working. The act intends that when people take long service leave, they would be reimbursed at the same rate as they were when working. But the point is a lot of people have variability of working hours, so over the 10-year period for which they have been working they may have been doing some casual work — perhaps they have worked 30 hours in one week and 40 hours in another. In other words, there has been a variation in their hours worked.

How do you fairly measure that, where you might have an employee who has been working part time, perhaps 16 or 20 hours a week for many years, and six months before he decides to take long service leave he decides to go onto 40 hours a week? He would be required in the normal course of events to be paid long service leave on the basis of 40 hours a week work rather than on the other trend? And vice versa, what would be the fair thing to do in a situation where somebody who had traditionally been working 40 hours a week and some time before going on long service leave cut back his hours?

The act currently says the default position is the average taken over the 12 months prior to taking leave. The bill says that rather than run on that default of 12 months before taking leave, you will measure that time entitlement over two time periods — that is, 12 months before and 5 years before. I point out to the house that this is all very well and good in theory, but many of the small businesses that are employing one or two people are struggling to have the sophistication to know what hours their employees have worked for the past

12 months let alone have the records for those employees from 5 years ago.

So this is going to put some administrative load on many small businesses to keep appropriate records of the number of hours worked by their employees for the last five years. Many of these small businesses, although they would stay the same, would in fact change hands. They are run by husband-and-wife-type teams who are interested in just trying to keep the business afloat and creating employment for half a dozen people and who are certainly not looking for a major record-keeping exercise of this scale. It would not be a big deal for the BHPs of this world, but certainly it will be a problem for many smaller enterprises. It is going to simply be another disincentive to employ people under these conditions.

The other issue which I touched on before was the question of public holidays during the taking of the leave. This situation is summarised effectively by the VACC in its email to me:

Excluding public holidays from the leave period creates an additional cost burden on employers. Currently public holidays are inclusive of the leave. The effect is that the leave is mostly to be requested early in the year when most of the public holidays occur.

We all know public holidays run to about 23 days a year, so that is going to be an extra cost. On average people will pay that extra 23 days a year of public holidays as part of the long service leave that they were not paying for before. Again that is a very significant cost impost that the government has simply chosen to ignore.

One of the other things that is a significant problem for industry is the ability for an employee to take double the leave at half the salary. For instance, if someone has accrued 13 weeks of long service leave, they can take that 13-week leave entitlement at normal pay or they could turn it into 26 weeks at half pay. An employee can then be on half pay for half the year, and that would be a significant disruption to small businesses. It may not be a great disruption to large corporations that have the ability to fill labour gaps, but the absence of one person — say, a key person — for six months from a small business with about a dozen employees is going to be a significant problem for that small business operator.

As was also pointed out to me, this is another reason why this provision counts against women in the work force. We are now including maternity leave in the qualifications for long service leave entitlements, and when we perhaps allow a young woman with children

who wants to look after her family — and there is nothing wrong with that, that is eminently appropriate — to choose after seven years to take twice the leave period at half the salary, that is a fairly significant disincentive for an employer to take women into their work force for critical jobs, given that they may not be available for a long time. Again that is a significant impost on business.

Another provision of the bill deals with the notice to take leave. As most people who have any experience in long service leave know, basically an arrangement is made between the employer and the employee where it is negotiated that leave is taken at a time that as far as possible best suits both parties, because often long absences are involved. In general terms this situation has always been negotiated successfully. I have heard of virtually no cases where there has been a problem that has not been able to be worked through by goodwill on both sides.

But the bill puts all that to one side and says there will be a three-month period when an employee can ask for his long service leave. At a certain date he needs to give three months' notice, and if an employer chooses not to agree to that, then the employee can take that case to the Magistrates Court to get a ruling that he has to be given leave to suit him. The magistrate will make the ruling — in fact it will not be a magistrate, it will be one of the new registrars the government is introducing, that legislation having been debated here last week — and it is inconceivable that those rulings will not generally go in favour of the employee rather than the employer. This new provision worries employers.

All these things add up to significant extra imposts on business: of cost, lack of flexibility, keeping more records, and having to take these issues to the Magistrates Court rather than working them out on the site.

It is an impost relating to a regime of fines which is a significant increase on what is now in place when there is no evidence that they are justified. All this is in the face of more and more flexibility in the work force, and more and more flexibility demanded by the work force not only for people who work in it but also so that companies survive in the competitive environment in which Australia operates in this region. All this will be another straw on the camel's back of industry in this state, an unnecessary straw, something that is basically anachronistic because people are not in industries for long periods like they used to be.

Long service leave traditionally was a reward for being a loyal employee and staying in industry for a long

time. All that has changed. Employees are always looking around for a new, better and more exciting job, and they will move on those criteria not the criterion of some alleged benefit that will come after they have been working with the one employer for 15-odd years. With those comments, I urge the house to seriously consider those issues and vote against the bill.

Hon. W. R. BAXTER (North Eastern) — If ever the house wanted a demonstration that this government dances to a tune that is composed in Lygon Street at the Trades Hall Council, this is it, because this is industrial relations legislation. This state under the former government ceded industrial relations to the commonwealth. This government since it has been in office has persisted until it succeeded — and it took three attempts with its uniform systems legislation — to further hand over industrial relations to the commonwealth. But what are we seeing now? We are seeing the government try to rule beyond the grave and interfere with the industrial relations that it has handed over to the commonwealth by introducing a whole range of new provisions that go to the issue of long service leave.

I agree entirely with the points Mr Strong has made that this will be a huge cost impost on employers in this state. As well as that it will introduce a horrendous bookkeeping regime that will not be conducive to the creation and generation of jobs in this state by any means. We should review for a moment the principles of long service leave. Clearly it was introduced in the past to encourage loyalty to firms and to discourage people from chopping and changing jobs because that in itself imposes a huge cost on employers in having to train new people to replace those who have left suddenly. It was designed to help employers in that sense, but it was also, of course, a recognition to long serving employees — Mr Strong used the word 'reward' but perhaps I would use the word 'recognition' — that long and faithful service had been given and that some particular benefit was warranted. That is the way long service leave has operated for many years, but now we will see a radical change which will undermine the concept of long service leave and turn it simply into another perk or benefit — another benefit that unions seem to think that employees are entitled to as a matter of course.

As I have said, it will be very costly on business. It is all right for those Luddites in Trades Hall Council in Lygon Street who think that you can keep on loading costs on to employers ad nauseam and it will not have any effect. It has a striking effect, it has a debilitating effect on employers, and it costs jobs. There are no two ways about that. It is time that people at Trades Hall

Council accepted the fact that employees are selling their labour. Just like anything else where it is a supplier and a purchaser, if the cost of the product gets too high the customer does not buy it. That is exactly what is happening in this case with the cost of labour. Under this government it is increasingly being made more and more expensive, so we are getting to the situation where the customer, the employer, is not buying the product if they can possibly do without it. We have seen numerous examples of that in recent times where companies, individual employers and family businesses can get a machine to do it; they can do it themselves or they can have one of their family members do it — —

Hon. Richard Dalla-Riva — Send it overseas.

Hon. W. R. BAXTER — Or, as Mr Dalla-Riva says, send it overseas. That is what is happening: labour is getting too dear because of all these additional costs that the Trades Hall Council is imposing upon employers in this state. The bill brings forward the eligibility for long service leave. That in itself will create — an earlier cost than would otherwise be incurred. It extends the provisions, and I will deal with the extension of the provisions in a moment. If you read the second-reading speech you would think that all these were minor amendments. In fact it extends the provisions in a number of areas quite a way, as Mr Strong has already alluded to, and I will go to a couple of examples in a moment.

The bill will increase the paperwork and record keeping that will be imposed, particularly on small businesses, immensely. It may not be such a big impost on those big companies that have a large human relations department and are well organised in this regard, but to the average farm, the average small business, the local garage in the town which perhaps changes hands every few years anyway, this will lead to a lot of difficulty and a lot of dispute in the future, and certainly a lot of cost.

I turn to a couple of extensions of provisions that will cost more. The bill extends long service leave to casuals. It has always been my understanding, and Mr Strong has alluded to it as well — it is more than just my understanding but in fact a law — that under, say, the federal pastoral industry award, and I am sure in every other award, if you hire people as casuals you pay them a higher hourly rate. That is fair enough, because it is designed to cover the fact that they will not be recipients of benefits such as long service leave, which has normally been accorded to full-time permanent employees. Here we have an extension of long service leave and you can still be a casual worker.

There is no suggestion in the second-reading speech — and I do not hear the Trades Hall Council volunteering — that casual rates will now be reduced to the nominal hourly rate that permanent workers get because long service leave is now going to be one of their benefits. I have not heard that, and frankly I am not holding my breath that I will hear it either.

One of the greatest imposts upon employers in this state, particularly those in rural and regional Victoria, is the extension of long service award to seasonal workers and the way their entitlement will be calculated. Now people who are doing seasonal work, provided there is not a break of more than three months, will be considered to be in continuous employment and that will count for the assessment of entitlement to long service leave. If you read the bill's provisions closely you find that the definition is broader than that — if the break in employment is due to seasonal conditions and the activities of a particular workplace, the three-month limitation does not apply.

For example, you could have someone putting in the wheat crop in May — we would all be busily doing that now if only it would rain — and coming back to help harvest it in December. That is greater than a break of three months, so on first blush it would seem that long service would not accrue in those circumstances. But presumably it can be maintained and held — no doubt the unions will endeavour to get this up in the courts — that that break was due entirely to the seasonality of the employment. There is the cropping and the sowing, and then you cannot do anything else until it is ready to harvest. Presumably that means that period from May to December will be counted as continuous employment for assessing eligibility.

Hon. C. A. Strong — What happens if there is a drought and you have two years?

Hon. W. R. BAXTER — Maybe that can be counted as well. I do not want to give the unions too many ideas, if Mr Strong does not mind. The other point is that whilst the person is waiting for harvest to come around he is off doing work somewhere else. He might be pruning the grape vines in the vineyards. In that case he would actually be working for another employer whilst that time would still be counted as eligible for calculating long service leave by the first employer. If that were not double dipping, I would be very surprised; by definition it has to be double dipping. Presumably if he goes back to help pick the grapes after pruning, he is going to rack up eligibility for long service leave with the vigneron as well as with the wheat grower. Is this what the government intends? I do not know. That is what the bill says.

Mr Smith interjected.

Hon. W. R. BAXTER — I say to Mr Smith that I can only assume that is what is intended.

Mr Smith — Obviously there is no double dipping.

Hon. W. R. BAXTER — I am glad of Mr Smith's assurance. If that is to be the case, there will have to be amendments. Perhaps during the committee stage the government could bring in amendments which might allay my concerns in this respect and make it clear as to whether there is any capacity for double dipping.

I turn now to the inclusion of public holidays in the calculation of the time off. Mr Strong made the very valid point that there will be all sorts of shenanigans now to try to structure taking long service leave in the first half of the year when the bulk of public holidays occur, but what about double dipping in respect of public holidays? You are on leave and a public holiday happens to fall in the time, so months later you get another day added on to your leave. I do not see that that is very fair at all. You can take a year off, go overseas on unpaid leave and come back and that is going to be counted in the calculation. You will become entitled to long service leave after effectively only nine years working for that particular employer. If that is not right, I look forward to Mr Smith putting me right when he makes his contribution to the debate, because as I read it that will be counted as part of your continuous employment.

There is another obnoxious provision in the bill which enables unions to bring proceedings against an employer for alleged outstanding leave payments up to six years after the employee has quit. You can be an employer, someone can leave and out of the blue six years later a union official can knock on your door and threaten legal action.

Mr Smith — They should have paid the entitlements in the first place.

Hon. W. R. BAXTER — If there were entitlements outstanding, they ought to have been identified and fixed up within a reasonable period after the cessation of employment, not six years down the track when records may no longer be in existence. For heaven's sake, you do not even have to keep your records for the taxation commissioner for six years so why should you have to keep them for the benefit of some union official who wants to come along alleging that some outstanding leave has accrued? That provision will be used by union thugs to intimidate employers, particularly small employers, to pay up, because they will see that as the cheapest way out of a situation in

which they cannot possibly win because their records going back six years may be non-existent or incomplete.

Another part of the bill increases the penalties from 2 to 20 units, a tenfold increase. That is pretty substantial, I would have thought, and it will fall on the employers. What sort of increase falls on the employees? They are not subject to many penalties under this act anyway. Their penalties only increase from 2 to 5 units. Where is this even-handed government? It is treating the employers on one side as if they were absolute dragons and on the other side the employees as if they were paragons of virtue. It simply does not wash with me. The bill also imposes on directors as well as executives some very serious responsibilities. I do not have any objections to executives carrying responsibilities, that is what they are paid for, but I do have some concerns about non-executive directors being exposed to the same sort of penalties as

the full-time executives might face. I see that is another nail in the coffin of attracting skilled non-executive directors to give their time to the business community — and, heavens above, we need skilled people to give their time to the business community. This is just another move that will make them even more reluctant to take on those sorts of jobs.

Another provision in the bill, which Mr Strong has already alluded to, says you can take twice the length of leave at half the salary. I acknowledge the points Mr Strong has made about how disruptive that could be, and they are very valid points indeed. But if, let us say, employers may be prepared to do that in some circumstances — and I am sure it has happened in the past by agreement between the two parties — that would make a lot of sense. That is what we stand for, agreement between individuals. But what does this government do? If you cannot get agreement on this, you can go off to the court and have the court arbitrate on when you take your long service leave. Again it is a one-sided provision. If the employer wants the employee to take some long service leave so that not too much of a liability is accrued and the employee does not want to, the employer has to lump it. He cannot go off to the court and get some arbitration on it and a ruling. It is unbalanced. I hope that none would go off to a court, that people could come to their own agreements, but here we have a case that if agreement cannot be reached, one side has resort to the court and the other side does not. It is totally unfair to not have a system that treats both sides equally.

We also heard in the second-reading speech, and I heard the minister on radio saying, 'There's nothing

much in this bill. It just brings it in line with the other states'. I have to say that is absolutely gilding the lily. This does not bring it in line with the other states. It certainly does not bring it in line with New South Wales and Queensland, as I understand it. In some cases it takes it beyond what generally applies in other states, so it is again the same old Trades Hall Council trick of ratcheting up — ratchet it up in one state and the next state is forced to come into line, ratchet up in that state and we get pressure to match it in this state, and on it goes. The cumulative effect of all that is that further and further costs are imposed upon employers, more and more jobs disappear forever out the window or overseas and we see productivity in this state whittled away from what it could be if we were able to have a much more cooperative workplace instead of having unreasonable demands imposed by legislation that has been inspired by people down in Trades Hall.

The Nationals believe that long-serving employees are deserving of long service leave. We support the system as it has operated. We support the principle, but we are very much opposed to what this bill includes — the extra costs it will impose on employers. We are very much opposed to the provisions being extended to casual workers, bearing in mind they are already compensated through the higher hourly rate that they receive. We are certainly very concerned about the provisions relating to seasonal employees. Although we might acknowledge that perhaps long service leave provisions ought somehow or other be moulded so that seasonal employees can have some entitlement, the provisions in this bill are simply over the fence. They will lead to double dipping; they will lead to horrendous bookkeeping, and The Nationals will be opposing this bill as strongly as we are able.

Mr VINEY (Chelsea) — In my five and a half years in this Parliament, I do not believe I have ever heard either the Liberal Party or The Nationals once support anything that resembled an improvement to workers' pay and conditions — not once in this place.

I would like to deal with some of the issues that have been raised by Mr Strong and Mr Baxter. Let us deal firstly with the issue Mr Strong raised, which was strongly supported by Mr Baxter, about the cost to business of this bill. The estimated cost of long service leave provisions today to business is 0.6 per cent of the total wages bill. What is proposed in this legislation is not an increase in the long service leave rate, which is in fact at about 0.86 weeks per year of service. There is no provision to make that 0.9 or anything beyond what it currently is, so there is no extra cost to business of the amount of long service leave that is required to be paid. There is perhaps some marginal cost to business of

workers being able to start to take that leave when they have worked 10 years or more. This legislation is about modernising the long service leave provisions so that they take account of the changes in the structure of the workplace in our community. Mr Strong suggested that this legislation is more attuned to the 1970s. How wrong he is. This legislation is about the kinds of workplaces and the kinds of structures of employment in our workplaces that we face in 2005 and will continue to face into the future.

Mr Baxter referred to my colleagues at Trades Hall as Luddites. I found that somewhat amusing, because of course the Luddites were farmers — Mr Baxter's origins, of course — fighting against the industrial revolution in 1811 and 1812. The interesting part of that history is that the Luddites were brutally put down by the conservative government at the time. It is rather reminiscent of the brutal attempt of the Howard government through the Howard and Costello agenda to try to diminish workers' rights, to reduce awards, to reduce the entitlements of workers to an absolutely bare minimum and to emasculate the Australian Industrial Relations Commission by reducing its capacity to set wages in this country. What we have been experiencing in these debates in this chamber from the opposition, certainly for the last year or so — and I recall the outworkers legislation earlier this session — and from the sort of language used and from the attacks the opposition makes on workers and on trade unions, is a softening up of the community about the sort of attack that is about to be launched from 1 July onto the trade union movement and on workers entitlements by reducing the number of awards, reducing the number of allowable matters and making it harder for unions to gain reasonable access to the workplace to represent their members. This is the kind of environment we are debating this legislation in.

We are debating this legislation in an environment where there is an ideological agenda from members on the other side to use every opportunity to diminish the rights of workers and to try and talk up the need for the Howard government's agenda to get stuck into trade unions. What they miss in the debate is the fundamentals of what this legislation is about. It is about ensuring that in the modern workplace, where we have a massively increased casualisation of the work force — in the order of 27 per cent of workers are now employed on a casual basis — we now need to make sure that we put in place long service leave provisions that meet the needs of that modern workplace. The modern workplace is a more flexible place. We see the opportunities that were significantly driven by the previous federal Labor government's reform in areas like enterprise agreements. It is a more flexible place,

and it is a more competitive place. At the same time it is important, in addition to making sure that we have more flexible and competitive workplaces, that we put in some basic reforms to make sure the fundamental provisions and entitlements of workers are maintained in that changing environment. That is what this legislation is about. In this environment we now have things like parental leave and entitlements for workers to take unpaid leave. In this legislation we are putting in place provisions to make sure that workers are not disadvantaged by changes in flexibility in the workplace and changes in work force structure.

As I said at the beginning, this legislation makes sure that workers can start to take long service leave after 10 years. We have also ensured that access to pro rata long service leave payments is available upon termination to employees after 7 years rather than 10 years. The bill allows employees to take double the period of leave at half the rate of pay. It also allows an employer — and this is an important correction to Mr Baxter's comments — to require an employee to take long service leave, but the employer must provide three months notice. In the case of a dispute about that, it allows that dispute to go to the Magistrates Court. This is not skewed in favour of workers or employers; it is a process to allow the employer to require someone who may have accrued leave to take it. There ought to be a proper process for hearing disputes, and it is sensible that this be with the industrial division of the Magistrates Court.

The bill recognises the entitlements of casual and seasonal employees. This legislation is about recognising that 27 per cent of workers are now casual employees. It is important to ensure that these people are able to take advantage of long service leave provisions.

The bill ensures that all forms of paid parental leave do not break service. This is a modern environment in which work-family balance has become increasingly important and parental leave has become much more common, not only for women but for men. It is important to ensure that where this is paid parental leave there is no break in service in terms of continuity of entitlement to long service leave. To correct Mr Baxter in relation to unpaid leave, it is not the case that unpaid leave continues to accrue in any way — neither in terms of entitlement nor in terms of how the clock is counted. In other words, if someone takes a year's leave after five years employment and returns at six years, then the clock stops when they take the leave and when they come back at six years it starts again. The employee would not be entitled to take any of their long service leave pro rata until year 11. That is quite

clear in this legislation. Mr Baxter simply has that wrong. It is important that we get these things right in these debates, because the opposition uses these opportunities to beat up on workplace entitlements and trade unions, like Mr Baxter's language in talking about Trades Hall as made up of Luddites and going on to talk about union thugs.

This legislation also ensures that where an employee's hours of work change or where there are no set hours the leave entitlement is calculated on the average hours worked over the previous 12 months or 5 years, whichever is the greater. It provides that where an employee is absent from work due to workplace illness or injury or where the employee has returned to work on reduced hours under a return-to-work plan in accordance with the Accident Compensation Act, the entitlement is based on the hours of work before the injury or illness. It provides more up-to-date penalties for non-compliance with long service leave legislation provisions. It also provides that long service leave is exclusive of public holidays, as is all other leave. I do not think that is particularly onerous.

If you run through the list of provisions in the legislation, the cost to business is absolutely marginal. There is no massive increase in the entitlements of people in relation to the amount of long service leave they will get; in fact, there is none. The only provisions that may increase the cost to business may be some administrative costs and certainly there may be some additional cost to businesses that have a significant number of casual employees. Those employers have had the benefit of having modern, flexible workplace arrangements in their workplace, and this legislation is about incorporating that change in the environment of our workplaces into up-to-date legislation.

It is interesting to remember that the long history of long service leave in Victoria goes back to many previous conservative governments into the 1800s where the early provisions of long service leave were about giving people in the civil service of the day sufficient time to go back to England to visit friends and family. These provisions have been consistently supported going through into various public sector employees such as electricity workers, railway workers and others.

Hon. Andrea Coote — Acting President, I direct your attention to the state of the house.

Quorum formed.

Mr VINEY — It sounds like my colleagues are not all that thrilled to come in here to hear me conclude. In

conclusion, it is disappointing to come into this debate — —

Hon. B. N. Atkinson — On a point of order, Acting President, Mr Somyurek is actually talking on the phone in this chamber, and I ask you, Acting President, to rule on it.

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! If a member is using a phone in the chamber, I remind honourable members it is not acceptable. There is no point of order.

Mr VINEY — In summing up, I say it is extremely disappointing that the opposition, in my five and a half years in this place, refused to support any single instance of improving the entitlements or adding to the benefits of workers in this state. They opposed the outworkers legislation. I remember Mr Strong's contribution, that if one wanted to set up a business and be able to compete at any price, you should be able to. That is not the system we have in this state; we have a system in this state and in this country where workers can expect to get a reasonable reward for their effort.

The legislation is about making sure that in the changed workplace environment, where 27 per cent of the workplace is now casualised; in the changed structure of our workplace workers can be sure they will get long service leave entitlements. Employers have had the benefit of more flexible workplaces in this country since the Hawke and Keating reforms of the labour market. Employers have had enormous benefits from a more flexible workplace, enterprise agreements and a more casualised work force. The least that can occur is that in that more flexible workplace the normal entitlements of long service leave should be expected by workers working in that environment.

It is of no benefit at all that members of the opposition should come in here in their attempt to soften up the community for the Howard and Costello attacks on unions and on workers. That is all their contribution to the debate has been about. Attacking unions and calling them Luddites, who were actually farmers fighting against the industrial revolution, and calling union workers unionist thugs — that is the sort of language we expect from this mob over here who are trying to set the environment for the outrageous attacks the Howard and Costello government will make on unions and workers in the coming months. I commend the bill to the house.

Hon. B. N. ATKINSON (Koonung) — In rising to speak on this bill I will not be arguing about union positions or about the softening up for another level of

government. My position is to support the small business constituency in this debate, which seems to have been overlooked in much of it.

Mr Viney made a worthwhile contribution to the debate when he discussed the issues that the government wanted to put, and he made a number of remarks about the history of long service leave. I accept that long service leave goes back a long way. What characterises much of this debate that ought to have been held in the contemporary environment is that Mr Viney drew on the example of the 1800s where workers were given extended leave to go overseas to visit the old country, presumably to visit relatives and to stock up on candies and such like.

The workplace today is a very different workplace to most of the period in which long service leave provisions have applied. It is some 25 years since the legislation was reviewed, and I would have hoped there was a more extensive review of the legislation, that perhaps we could have looked at it in the context of the competitiveness of Australian industry and the impact of imposts such as long service leave on employers continuing to invest, creating jobs and producing goods and services in Victoria as against their propensity in recent years to move production and jobs off-shore and out of the state, if not off-shore, because of the continual and incessant imposts that the government has introduced through a range of industrial relations legislation. That aspect was referred to by Mr Baxter and Mr Strong, and I commend both their speeches to the house in the context of what they were describing as the onerous nature of this legislation and, more importantly, the impact it is likely to have on employers and employment in the state.

It is all very well for the second-reading speech, Mr Viney and government members to argue that we are not talking about a great magnitude of costs for most employers with this legislation, but I remind the house that employers in this state have had to cope with a significant number of changes in industrial law brought about primarily by legislation through this house and the other place rather than by argument on merit through industrial relations tribunals that have meant a considerable number of imposts and significant cost increases for small businesses in particular and industry at large.

We only have to look back to common-rule awards and their impact on small businesses right across the state. Members who travel in country areas will be aware of businesses that are closing on Sundays and weekends simply because they cannot afford the extra wages associated with common-rule award provisions. Indeed

there are other entitlements in those common-rule awards that affect more businesses.

I note that new commonwealth awards have just been determined by the Australian Industrial Relations Commission for the takeaway food and fast-food stores. They are to take effect from 26 May. To this point they have not even had to cope with those additional costs on weekends and public holidays, and I dare say there will be a whole new wave of small businesses that will now choose not to open on Sundays and public holidays because they cannot afford to.

If long service leave were taken in isolation, one might think, 'Yes, okay, that is not too bad, and perhaps in the interests of a general direction in the community to achieve a better balance between work and family lives in a life that is certainly far faster paced today than historically, that legislation is acceptable and appropriate'. But in the context of this raft of changes that have been introduced by this government it becomes a major problem for employers, particularly for those in small businesses.

I take note of some of the comments by the Victorian Automobile Chamber of Commerce (VACC) that point out that Australia offers very favourable leave conditions already in comparison to international labour standards. Long service leave is unheard of around the world — unheard of! Yet it is a provision we have here along with parental leave and so forth that in fact is not enjoyed in most nations around the world, certainly not in some of them that represent major competition for us, particularly for our manufacturing sector which needs a lot more encouragement than this government tends to be providing.

Small businesses are significantly disadvantaged by this legislation. I note that Mr Viney conceded that there would be some administration costs to small business, particularly those that had a lot of casuals. The point was very well put by, I think, Mr Baxter, in the context of this debate, that there are many ownership changes for small businesses and that it is virtually impossible for many small businesses to retrace a 7-year, 10-year or 15-year period in terms of employment. The fact is that they do not have to keep those records for taxation purposes as was indicated in this debate.

We really do need to recognise that this government continually says it is trying to cut red tape, that it is trying to help small business by cutting red tape right, left and centre. In fact every piece of legislation that comes through this place adds extra onerous conditions, red tape, regulation, administrative and compliance responsibilities and costs to small businesses. Is it any

wonder that I am told by industry associations and sales brokers for small businesses that they repeatedly have people coming to them looking to buy businesses and the first question they ask is: 'How many people are employed in this business?'. If the answer is more than four or five, they say, 'No, we are not interested in that business' — because it is all too hard for employers. It is all too hard for small business to cope with those sorts of circumstances.

Here we have a piece of legislation that again introduces a whole range of new entitlements that arguably are not really consistent with today's workplace. There has been talk of casualisation. The whole process of casualisation is a complete contradiction of why long service leave was introduced. It is anathema to talk about the two in the same context in any sort of debate. We have a situation where some of these provisions — even the provision of going off to the Magistrates Court — in this day and age are anachronistic. There is no reason to go back to the Magistrates Court. The Magistrates Court only had jurisdiction in the first place because long service was seen to be a claim or a debt. With the industrial relations system that has been developed in recent years there is absolutely no reason to use the Magistrates Court for this.

Of course it has been pointed out that there will not even be a magistrate in future, there will be a registrar. What does a registrar know about business? What responsibility does he or she exercise in making these sorts of decisions which ought not to be there? For small businesses it is a very serious matter to be facing a situation where they can lose an employee for an extended period of time — and, as has been pointed out, that might include all sorts of variables in terms of the time taken — and they are taken off to the Magistrates Court to get an order that suits an employee but might in fact beggar the business.

They cannot afford this in small business. It is ridiculous for the government to have done this. The government could have easily found out exactly what the position of small business on this was, if it had dared consult small business. It is interesting that on 14 September 2004, when the government had commenced the review on long service leave, I asked the then Minister for Small Business, the Honourable Marsha Thomson, who was subsequently sacked in January, whether or not she would seek an exemption for small business from the proposed reduction in the qualifying period for long service leave from 10 years to 7 years. I later asked her whether she was prepared to seek an exemption for small business from long service

leave payments to casual and seasonal workers employed by small businesses. In both cases — —

Hon. Bill Forwood — What did she say?

Hon. B. N. ATKINSON — She refused to answer, as she does. She danced around on the spot, gave the typical government line and handballed it to another minister, who, of course, was the Minister for Industrial Relations in the other place, Rob Hulls, despite the fact that the question she was asked was in respect of small business and that what was happening in that circumstance was of great interest to small businesses. The fascinating thing about the answer is that she talked about how wonderful the support of the Labor government was for small business, and she then went on to say, 'Unlike the opposition, we consult in our processes of government and ensure that we are governing for all Victorians and that we are taking into account the needs of Victorians when we make our decisions'. The interesting thing is that every one of the industry associations that I have spoken to said there was no consultation on this legislation — absolutely no consultation. The Victorian Employers Chamber of Commerce and Industry, the VACC, the Australian Retailers Association, the Australian Industry Group, the Master Grocers Association of Victoria — it does not matter who you ask, you can ask the lot of them — all say, 'No consultation!'.

Some of them went to the trouble of putting in submissions when the discussion paper came out and they heard nothing more. They were surprised; in fact, they were more than surprised — they were affronted and they were angry when they found this legislation was coming down without their having had any further opportunity to discuss its provisions with the government. They were staggered when they saw the provisions in this legislation because they recognise the impost the bill will put on so many employers and particularly on small business.

As I have said, we talk about cutting red tape, but when it comes to this legislation all we do is increase the red tape and increase the costs. This is not legislation that is appropriate to small business. In my view small businesses ought to have been given an exemption from this legislation. I am not even sure, in a personal sense, whether or not long service leave belongs in a contemporary industrial relations environment today. Since we have had long service leave a whole range of other leave entitlements have been introduced which are so much more relevant to the modern workplace, which are so much more relevant to the needs of employees and which are a fair balance between the responsibilities and rights of employers and the

responsibilities and rights of employees. From my point of view any move to make long service leave more generous is anathema in the current economy and environment.

When people talk about the need in this legislation to provide people with greater work and family balance and an opportunity to get away from work, it is interesting to note that one of the major problems that most employers have is getting their staff to take their annual leave. In fact most staff accrue annual leave and long service leave entitlements and all sorts of other entitlements, and refuse to take them. It is a major problem for employers to actually get them to leave work and take those up. In this context of a debate on long service leave that ought to be a relevant consideration in deciding whether or not we bring forward the period when the entitlement applies.

As has been pointed out by a number of speakers in this debate, and I agree, it is absolutely ludicrous to talk about casual workers obtaining long service leave benefits now, given that they already have an additional entitlement built into casual leave loadings to reflect the fact that they are not paid for long service leave. So it is a case of double dipping on that whole process. As I think the Honourable Chris Strong mentioned, and I think Mr Baxter referred to it as well, it is a ridiculous thing to be looking at that.

The administrative load of this for businesses is just extraordinary. I can guarantee that it will have many employers making decisions not to put on extra staff, many employers making decisions not to invest in new jobs, and in fact in many cases looking to curtail the jobs that they already have.

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! The member's time has expired. I call Mr Bob Smith.

Hon. R. G. Mitchell — Now for some intelligence in the debate!

Mr SMITH (Chelsea) — I cannot argue that point!

I start by saying how very pleased I am to speak on this bill, because in my inaugural speech one of the things I said I wanted to do when I came into this place was to improve the lives of working people. This bill will do just that, and while it will do so in a small and incremental way, it continues the improvement. Let me make this comment: I do not think work is finished on this bill. I think it is a work in progress. I would like to think, and I hope, some of the shortcomings of this bill, which I will outline a little later, will be improved at a later date.

Hon. J. A. Vogels — In whose favour?

Mr SMITH — Let's guess whose favour. But long service leave is an example of what clearly defines the difference between you conservatives over there — —

Hon. Bill Forwood — Don't you call me a conservative. You know I'm a Liberal!

Mr SMITH — Well, you conservatives over there, Mr Acting President. It clearly defines the difference between us. We concentrate in the main on improving the lives of ordinary Victorians, while you over there concentrate on looking after the interests of your mates: business, be it big or small. That is okay. I do not deny that, and nor should the opposition, although sometimes it tries to deny it. The point is that we are better equipped in our mindset, in our modus operandi and everything we do to look after working people.

There has been extraordinarily wide consultation on this particular bill. There have been briefings for unions and employer groups.

Hon. B. N. Atkinson — Rubbish! Wrong!

Mr SMITH — Yes, there have. A discussion paper was released on 9 February and advertisements were placed on radio and in the print media. The discussion paper is actually on the Industrial Relations Victoria web site for anyone to access. We have had something like 450 inquiries about this legislation, and a number of written submissions.

As I said, this is a work in progress. The reason I say that is that whilst it recognises the changes that are taking place in the new or modern workplace and the impact that will have on casual, part-time or seasonal workers — it is quite significant — the reality is that the workplace has changed. One of the earlier speakers, Mr Viney, outlined the fact that 27 per cent of the work force now are casuals, and this is a direct result of the global economy; and in the last 20-odd years in the western or developed world we have seen a massive increase in part-time or casual work for women and a corresponding decline in permanent work for them. Coincidentally, women tend to get paid around about 75 per cent of the male rate on average. So let us not beat around the bush: business saw the opportunity to make more money by casualising the work force wherever it possibly could.

I am not suggesting that all casual work is bad or that all casual workers are being pressed into working as casuals: quite the contrary. A number of people are suited to that lifestyle and that lifestyle suits them, but there are lots of working people out there who are

compelled to work casual or part time and as a result of that find themselves in very difficult circumstances that most permanently employed people do not suffer. For example, try to get a bank loan for a house or whatever as a casual — it is extraordinarily difficult. The bill recognises the fact that there are a lot of workers who as a result of the changing nature of work and through no fault of their own are unable to access the entitlements that other permanent workers get. They suffer a lot of stress and work-related problems, and this is designed to help them in that way.

The other changes in the bill allow for a lot more flexibility. Earlier I heard members saying this bill is about one-way traffic — that is, the union way. That is not quite right. The Australian Industry Group, for instance, wanted the clause that allowed employers the right to send workers on long service leave with three months notice, and that provision was inserted in the bill. It was about trying to find some balance and fairness.

Mr Atkinson, in his contribution, said employers have trouble getting workers to go on long service leave, and he is right. The reason for that is that when workers go on long service leave they are short-changed; it is tougher for them to do as they get less money. They actually suffer a loss of income, and that is based on the fact that if you are a continuous shift worker — that is, a worker who is regularly rostered to work public holidays, weekends et cetera — you have your shift allowances built into your salary or wages, and you will work almost a guaranteed amount of overtime in most of our major industries.

So when you go on annual leave that is factored in. Either you get paid for those shifts you would have worked on the roster, whether they be on a Saturday or a Sunday, or you get a 20 per cent leave loading if you are in a unionised work force, whichever is the greater. When you go on long service leave you get none of that, so why would you take your long service leave when it would mean that all of a sudden your weekly, fortnightly or monthly budget would be diminished by a significant amount of money? I say to Mr Atkinson that that is why the workers do not like to take their holidays, and that is why I say that this bill comes up a little short in respect shift workers. They are disadvantaged, yet they make a superb contribution to the overall economy of Victoria. The fact is that when a shift worker goes on annual leave, they get the loading and the penalty rates built into that leave. I argue, as do a lot of other people, that it should be the same for long service leave, because there is no difference. That is not possible at the moment, but I would like to think that in

time and with the continuous improvement to this bill, we may eventually end up with that. I hope we do.

We have talked about the fact today that 20 per cent of the work force is casual. What we have also done in this bill is allow for increases for working people, recognising that any leave that is taken by agreement with the employer will be factored into the long service leave and will not be discounted in terms of your eligibility et cetera. In other words, if you take five or six months leave over the 10-year period, it will not be the case that you have to work another 10 years to catch up. We have provided for apprenticeships. If you are an apprentice and you continually work for an employer through your apprenticeship and after your apprenticeship is finished, after a combined 10 years you will be entitled to long service leave. That did not happen in the past, and apprentices were disadvantaged. In our view that is another significant improvement.

Hon. Bill Forwood — In other words, should they get long service leave for training?

Mr SMITH — Mr Forwood interjected and asked whether they should get paid long service leave for training. I say, ‘Why not?’. They are being employed by that employer, and it is a matter of continuity. The employer decides at the end of the apprenticeship whether they will keep the apprentice and, if they do, then their time continues on. I do not think that is unreasonable. This is a first. It is another way that the Victorian government is advantaging working people. There are also changes which ensure that deceased workers will, for instance, have their long service leave entitlements paid into their estate. We can guarantee that in the past there have been a lot of occasions where that did not happen and where that money would have just disappeared, even though it is a statutory entitlement. We are changing it from 15 years to 10 years, but in a lot of places that is already the case.

The pro rata provision will apply after seven years in circumstances where you leave the employer for whatever reason. That is a significant improvement which did not exist in the past. In the past, if you were terminated or you left for a sackable offence, you would lose all your entitlement to long service leave. Now you will get pro rata after seven years for leaving the work force for whatever reason.

Hon. J. A. Vogels — Even if you have stolen from the company?

Mr SMITH — For whatever reason. I do not know what Mr Vogels does not understand about ‘if for

whatever reason you leave the employer you get pro rata after seven years’.

Hon. J. A. Vogels — It does not matter what you do.

Mr SMITH — You are entitled to it, it is a statutory entitlement.

Hon. Bill Forwood — You are not entitled to rort.

Mr SMITH — You get sacked for that — you do not get any more wages.

Honourable members interjecting.

Mr SMITH — Let us be honest, a significant number of employers in the past have terminated people just before they qualified for long service. They said, ‘Oh, they are getting close’. Shock, horror! Let me tell you that it happens. But from now on it will not matter, because you will get what you are entitled to. Mr Strong in his contribution talked about competitiveness and how we must remain competitive with our international opponents. What was he saying? Was it that we have to strip away every entitlement workers have in this state and in this country to compete with Indonesia, China or Sri Lanka, and that they do not get long service leave, so why should we? I would like to think we are a little bit different, that we have come a little bit further down the track than them and that they are starting to catch up.

Have a look at South Korea, where the unions have driven up the pay and the conditions of the workers — and we will see that happen in all the similar industrialised countries. I am gobsmacked when I hear it said that the lowest common denominator should be the standard for us to aspire to. Mr Baxter referred to the fact that seasonal workers, for instance, could end up double dipping, but the reality is that under the Workplace Relations Act employers have to keep records for six years — —

An honourable member — Seven years.

Mr SMITH — It is seven years, I stand corrected; but they have to keep those records. So when workers are moving around with their seasonal work et cetera, they will not be able to double dip because the records will be there and they will be trying to access this information when they need to make their claim. I do not think anyone would support a system that would allow for double dipping. It is not in anyone’s interest to do that, and certainly not ours. Mr Baxter also referred to people taking 12 months unpaid leave. If they do it will not be considered to be time served for

the purposes of qualifying for long service leave. It will be counted as continuity of service but not factored into the qualifying period for long service leave, so that is another furphy.

On the one hand the federal Liberal government crows about the strength of our economy — and I have to say it is very strong and has been so for a significant period of time. On the other hand we hear people saying, ‘Shock and horror! We cannot compete! Everything is going down the toilet. Everyone is going offshore’. It has been happening for a long time. Why is it that the Victorian unemployment figures are the best in the country? You would think any employer would want to be here. To all those opposite who decry any improvements to workers — and let us face it, whenever there is a national wage case or whatever, what is the position of the conservatives? They say, ‘No, we cannot afford it. It will cost jobs’. Their catchcry is always, ‘No money for workers’. Is it not funny how whenever there is a national wage rise or enterprise bargaining agreement rewarding workers et cetera we do not have this massive loss of jobs? It is just a furphy.

This is good legislation. It is proof positive that we on this side of the house care about working people. It is a balanced piece of legislation that will not damage the interests of business. I commend it to the house.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I am pleased to make a few comments on this legislation as the Liberal spokesman for manufacturing and export. I say at the outset that I oppose this legislation. Yesterday the Minister for Manufacturing and Export appeared before the Public Accounts and Estimates Committee.

Hon. W. R. Baxter — Gee!

Hon. G. K. RICH-PHILLIPS — I hear Mr Baxter’s enthusiasm for the minister’s appearance. It was rather lacklustre. It is apparent since he was sacked as police minister that he is — —

Honourable members interjecting.

Hon. G. K. RICH-PHILLIPS — His heart is not in it, Mr Vogels. I take up Mr Smith’s interjection that he got what he deserved.

Unfortunately it is not what the manufacturing industry deserved. It has been saddled with a minister who is not at all interested in the portfolio that he is supposed to be advocating for. Yesterday he got up at the estimates hearing and said all the right words. He went through the rhetoric. He talked about the importance of

manufacturing to the Victorian economy and how it is the largest sector in the Victorian economy. He forgot to mention that Victoria, under this government, has actually slipped behind New South Wales as the state with the largest manufacturing base in Australia.

He talked about the importance of employment in the manufacturing industry and about the 339 000 people employed in manufacturing here in Victoria. He talked about the importance of exports to the future prospects of the Victorian manufacturing sector. Members on this side of the house would be completely in agreement with that. The future of manufacturing in this state and indeed of this country is in exports. He led on from that to talk about the importance of the Victorian manufacturing sector being competitive. Therefore it was somewhat ironic in looking back through *Hansard* of last week to see that the minister, having made all these comments about the importance of the manufacturing sector and its being competitive, voted in the other place in support of this legislation, which is not in the interests of the manufacturing sector in Victoria.

I would like to pick up some of the comments made by Mr Matt Viney and to a certain extent by Mr Bob Smith in their contributions when talking about the coalition government in Canberra and the opposition parties here in Victoria. Mr Viney in particular said that the Liberal and National parties in Victoria are anti-worker and that we oppose workers and workers entitlements and that this has been a theme throughout our period in opposition. He said it has been a theme carried by the coalition government in Canberra.

Mr Viney was quite strident in his attack on the federal government but neither Mr Viney nor Mr Smith pointed out that the real measure of how working people in Australia are doing — that being real wages — has grown more in 9 years under the coalition government than it did in 13 years under the Hawke and Keating governments. The real measure — that is, real wages — has grown more under coalition governments than it ever did under Labor governments. That is the real measure of how well workers are doing. For Mr Viney and Mr Smith to get up and run the ideology and say that we are anti-worker ignores the true situation and the fact that coalition conservative governments have delivered more for workers in this country than 13 years of Labor ever did.

It reflects the fact that the Victorian Labor Party has not moved beyond its rationale or its thinking that you can legislate for workers entitlements. It seems not to have grasped the fact that you cannot legislate above the level that a market will accept. Yes, it would be

fantastic to legislate 100 per cent pay rises for everybody. The Parliament could pass legislation saying that, but the reality is that will not work in a market economy. Mr Olexander wants 200 per cent. That also will not work in a market economy. So we can bring forward legislation with all these ideals in it. We can give everyone two months' annual leave by legislation, but the fact is it will not work. Our economy will not support it. The Victorian Labor Party does not seem to recognise that when it legislates for all these new and expanded entitlements, they cannot be things that the market will not bear because we will simply see a flight of investment from the state.

The second-reading speech makes all the right noises about labour market flexibility. It talks at some length about how the Australian labour market has evolved over the last 20 years or so. Yet, having made all those points the bill then introduces a regime which in fact is turning the clock backwards. The minister's second-reading speech acknowledges that the labour market has become more flexible; perhaps it acknowledges that it needs to be flexible. Yet it then imposes a regime that undermines that flexibility by extending the entitlements for long service leave. We have heard both Mr Smith and Mr Viney say that the financial impact of this legislation is minimal.

The reality is that with the introduction of this legislation the entitlements to long service leave are brought forward. The pro rata entitlement is brought forward to 10 years, and the entitlement on termination is brought forward to 7 years. In effect the obligation to pay long service leave accrues over a shorter period of time, so the cost is higher. For any given employee, an employer will start recording a liability after 7 years on termination or 10 years of continuing service. That therefore indicates that there is not a situation of no cost to employers, and that needs to be borne in mind. The government likes to say these are minor changes, but the fact is they will have a very real cost to employers.

It is worth bearing in mind the reason for long service leave in the first place — that is, as a recognition of continuing service and loyalty. It seems to me to be idiosyncratic to then say that because the labour market has changed and people are turning over jobs in a shorter period of time that therefore long service leave should apply after a shorter period of time. Long service leave was introduced for a specific purpose, and to bring forward entitlements so that employees who serve shorter periods of time accrue those entitlements simply undermines the purpose for which it was introduced in the first place.

That also goes to the second point I want to touch on — namely, the issue of long service leave for casual employees. As Mr Baxter and Mr Atkinson said in their contributions, casual employees receive a loading on top of the ordinary wage rates that permanent employees are paid in recognition of the fact that they are casual and do not receive the additional non-salaried benefits that permanent employees receive. That is entirely appropriate. Members on this side of the house have no argument with that. We do have an argument when ordinary entitlements for permanent employees are then extended to casual employees — effectively it is double dipping. You have the loading that accrues to a casual employee in recognition of the fact that they do not receive the ordinary entitlements of a permanent employee, and then you extend the entitlements of a permanent employee any way, so the cost of employing casual staff goes up. We on this side of the house recognise that that is ideologically driven.

We know that members opposite hate the idea of a casualised work force, despite the fact that that is what has led to such a strong economy. Were it not for casualisation and increased flexibility in the work force the Australian economy would not be as strong as it is today, and therefore we would not have experienced the growth in real wages that has been accrued over the last nine years, and that is something that the government needs to keep in mind.

I would like to bring this debate to the issue of the manufacturing sector. Yesterday before the Public Accounts and Estimates Committee the minister spoke about how important manufacturing is, and that is on the background of having supported this legislation. Over the last five years of this government's being in power the manufacturing sector has not fared well. Employment in the manufacturing sector peaked in November 2000 and since then to February of this year it has declined by 33 000 employees. The employment base in manufacturing is not strong in Victoria, and this legislation that the Minister for Manufacturing and Export supports will do nothing to improve that situation. The second issue of importance is investment in manufacturing. Under this government manufacturers are not investing in Victoria. At the change of government in 1999 Victoria — —

Hon. M. R. Thomson — Come on!

Hon. G. K. RICH-PHILLIPS — Minister, at the change of government in 1999 Victoria attracted 33 per cent of Australia's manufacturing investment. Now, five years later, that has fallen to just 24 per cent. In nominal terms the level of investment in Victoria in manufacturing has fallen from over \$900 million per

annum to around \$700 million — a 15 per cent fall in manufacturing investment, and Victoria's share has declined from 33 per cent to just 24 per cent — and that will have significant flow-on effects for the manufacturing sector over the next 5 to 10 years. We will see that in the level of output in Victoria, which is already falling behind the other states according to the Australian Industry Group survey on manufacturing, and we will also see that reflected in employment in due course.

The other area I would like to touch on is export performance, because yesterday in the public hearing the minister said how important exports would be to Victoria's manufacturing sector. The reality is that for the last four years exports from Victoria, both merchandised goods and services, have grown at a paltry 0.3 per cent for each of the last four years, and that is the lowest rate of growth of any state in Australia. Under this government Victoria has lagged behind in manufacturing investment; it has had a drop-off in manufacturing employment; and its export performance has been woeful compared to the rest of Australia. This legislation is not the sort of legislation the manufacturing sector needs. It is not the sort of legislation that the Minister for Manufacturing and Export in the other place should be supporting. I urge members of this house to oppose the legislation in the interests of the Victorian economy.

Hon. KAYE DARVENIZA (Melbourne West) — I am delighted to rise and speak in support of this very important and good bill before the chamber. The behaviour of the opposition in relation to the bill is disgraceful. The attacks on unions and union members in the contributions of opposition members have been disgraceful.

Hon. Bill Forwood — You haven't heard me yet!

Hon. KAYE DARVENIZA — Mr Forwood scoffs and says, 'You haven't heard me yet'. He is very proud of the fact that at every opportunity he is going to attack working men and women in Victoria and attack their union representatives. That is what Mr Forwood does. He does not stand up for working people. He does not stand up for working men and women in this state — not the way that our government does.

You only have to take a look at the way opposition members behaved when they were in government to see clearly what their attitude was to working men and women, and the way they attacked their industrial tribunals and did away with them in terms of people who were under state awards, such as public servants. You only have to look at the way they behaved in

relation to the employment of people. Not only did they take away their awards and industrial tribunals but they terminated their employment — and in some of the most vital industries in this state.

Hon. Bill Forwood interjected.

Hon. KAYE DARVENIZA — You casualised —

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! The Chair has been tolerant. There has been a fair amount of noise going back and forth across the chamber. I ask Ms Darveniza to continue unassisted.

Hon. KAYE DARVENIZA — You only have to look at the way opposition members behaved in relation to industrial relations. In fact, the Public Sector Management Act was written by Phil Gude, who was the industrial relations minister in the previous government — and he did it, he proudly said, after drinking a bottle of scotch. The opposition shows complete contempt for the working men and women of this state. We only have to look at what the federal government is planning to do in relation to this.

Hon. Bill Forwood — How do you know what they are planning to do?

Hon. KAYE DARVENIZA — Because we can read about it in the newspapers, we can listen to what the Prime Minister and the federal Treasurer, Mr Costello, and the industrial relations minister have to say to know that they can hardly wait to introduce some of the bills that they introduced in previous times that have been knocked back by the Senate but now, no doubt, passed after July.

Mr Rich-Phillips cannot complain that government speakers comment about the opposition's attitude. The opposition cannot complain that Mr Viney and Mr Smith say that the opposition is shameful in the way it attacks working people when it is well and truly on the record in the time it was in government with its treatment of working people and also when we look at its federal government mates.

This bill intends to make the operation of the Victorian long service legislation more flexible so that employees who have a break in their career due to family responsibilities are not unfairly penalised. This is a good outcome and objective in the bill. We need to make the workplace more family friendly, to get the balance between work and family life more equal. Of course, long service leave has historically been

connected to a work and family balance from the time it was introduced.

I notice Mr Forwood grabs his rubbish bin and pretends to vomit into it as I make my speech. That is what he thinks about work and family balance. That is the contempt he shows for working families. The opposition certainly needs to have more women preselected and sitting on the opposite side of the chamber because they would not let Mr Forwood get away with it.

I know from my own experience when I worked as a nurse for about four years — —

Hon. Bill Forwood — Before you joined the union thuggery.

Hon. KAYE DARVENIZA — There you go again, Mr Forwood, you can't help yourself.

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! The Chair would suggest that Ms Darveniza not provoke members of the opposition and that she goes through the Chair. I also suggest that Mr Forwood should not provoke Ms Darveniza.

Hon. KAYE DARVENIZA — What can I say — even Mr Forwood is gobsmacked at that ruling, Mr Acting President, for you to suggest that I am provoking him.

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! Is Ms Darveniza reflecting on the Chair? I will believe that she is not reflecting on the Chair.

Hon. KAYE DARVENIZA — I will grab my notes, steady myself and soldier on! I worked as a nurse for some four years; then I left to have my children and was out of the work force for a considerable number of years. When I returned to the same employer and did the same job, I could not get that previous service recognised for the purpose of long service leave.

It is important that we take into consideration the fact that people change jobs or leave the work force for family reasons and family commitments; we need to recognise that in determining long service leave. This bill certainly recognises that we need to have more flexibility in that regard.

The bill also increases penalties for those employers who fail to comply with the act. Most employers are good employers who do the right thing and comply with legislation and regulations but occasionally you get a bad egg. I have come up against a number of such

employers over the years, and the bill increases penalties for that sort of behaviour.

The bill also clarifies the arrangements for casual and seasonal employees, and the Victorian legislation will be more closely aligned with legislation of other states. It is important that we take into consideration the needs of casual and seasonal employees because the work force is becoming more casualised. As Mr Smith pointed out, there are a number of employees where it suits their personal circumstances and they choose to work on that basis, but there are many out there who cannot get any other form of employment except casual employment, so we need to look after those employees.

The opposition howls and says dreadful things about unions and working people, but the Victorian long service leave legislation has not been substantially updated for more than 25 years. It needs to be amended to reflect the needs of working men and women in modern workplaces. As I said, although the opposition clearly does not agree with me, we need to properly balance work and family, because it is important that we are able to spend quality time with our families as well as being able to do our job and concentrate on our work.

Employers want to be able to attract some employees who have left the work force and get them back. The modern labour market has changed significantly. It is characterised by a number of factors that have changed over the years. There has been a substantial increase in women participating in the labour market. Many women want to leave the work force for some years to raise and care for their children. We want to be able to encourage them to come back into the work force. We do not want to see them disadvantaged by not having recognition of their previous service. There have been changing work arrangements. There has been an increase in casual and part-time work at the expense of full-time employees. The population is ageing, which means workers have increased responsibilities both to younger and older family members. There is a projected shortage of labour, which means employers will have to find new ways to attract and retain workers including those with family responsibilities.

I want to take up the point Mr Rich-Phillips made in his contribution to the debate that we cannot legislate for what a market economy cannot afford. These new changes to the Long Service Leave Act mean that we will not be able to afford it here in Victoria; it will have devastating consequences and therefore we should not bring it in. In reality Victoria, along with Western Australia, has the least generous long service leave scheme. Victoria is the only state that makes no

reference in its act at all to casual and seasonal employees — all other states do. Other states have not fallen over in a great heap simply because those sorts of changes have been brought in. All other states and territories recognise all forms of parental leave — adoption and maternity as well as paternity leave. The sky is not falling in those other states in relation to long service leave provisions being available to workers in those circumstances. The Victorian act only refers to maternity leave. New South Wales provides that where an employee has no set hours or where their hours change, their hours are averaged over 12 months or 5 years, whichever is the greater. The current Victorian act only provides for a situation where there are no set hours and in such a case the hours are averaged only over the previous 12 months.

There is a range of other important amendments and changes that this legislation will bring into being. Previous government members have spoken on those at some length. This is a really good bill which deserves the support of all members of the house. It recognises the need for work and family balance and it looks after the working men and women of this state. I commend the bill to the house.

Hon. BILL FORWOOD (Templestowe) — I welcome the opportunity to speak on this piece of legislation and to express my opposition to it. Let me first pick up some of Ms Darveniza's points, particularly in relation to family and work-life balance. This is a topic of some importance and one with which I wholeheartedly agree. What I do find difficult though is the polemic that is delivered by members opposite in relation to it. That certainly is enough to make people nauseous. I am greatly in favour of work-life balance.

Hon. M. R. Thomson — That is why you're retiring.

Hon. BILL FORWOOD — I thank the minister very much — that has a lot to do with it. I find that some of the rhetoric that goes with it is inclined to turn one's stomach. One of the things that amazed me in relation to the contributions from members opposite can be best characterised, although someone else has already done this, by saying it demonstrates that they are unionists first, factional warriors second, members of the Labor Party third and Victorians last.

I notice that so far in this debate nobody has turned either to the existing piece of legislation or to what is actually in the bill. I thought I might just raise some examples in relation to this. The first regards a point that was made by Mr Smith about somebody being fired and still getting their long service leave paid. It is

quite clear in the existing legislation where it says that a person who leaves in those circumstances other than for wilful misconduct is entitled to be paid. In those circumstances, why should they not be paid? In this particular legislation the words 'serious and wilful misconduct' have been expunged so that in future a person will get paid their long service leave even if they have been sacked for those reasons. There is no justification at all for that. Why should someone who has rorted the firm and been fired for wilful or gross misconduct be then entitled to be rewarded? There is no reason why and certainly I am sure there is no employer who would ever believe a person should be rewarded in such a way. It is ridiculous that that should happen. Why in heaven's name this has happened I have no idea other than it is just another way of ensuring that this government rewards its particular union mates. Section 58(1) of the principal act says:

This section only applies if an employee's employment is ended for any reason other than dismissal for serious and wilful misconduct and the employee has completed at least 10, but less than 15, years of continuous employment with one employer.

That 10 years has now changed to 7 years, but the crucial thing is that those words 'for any reason other than dismissal for serious and wilful misconduct' have been deleted from the bill and will not go into the act. We on this side say it is ridiculous that that should happen. Let me turn to another example — —

Mr Smith — Will you take superannuation away as well?

Hon. BILL FORWOOD — I am looking for the justification for someone who steals from their firm being entitled in those circumstances to receive some emolument for doing so. Let me turn to another point in relation to this. If you look at this bill and go the whole way through it, you will discover that there is an increase in the penalties from 2 to 20 penalty units. The whole way through this legislation there is an increase in all penalties bar one from 2 to 20 units. Guess what the one that goes from 2 to 5 units is? The one that increases from 2 to 5 penalty units — the only that does not go from 2 to 20 penalty units — is the one where an employee works while he is on his long service leave — in other words, an employer has to keep his records straight for seven years et cetera. All the penalties to do with employers have gone from 2 penalty units to 20 penalty units, and the only one that did not is the one that belongs to the workers. It is just another example of there being one attitude for the employees and a different one for the employers. I am quite happy to say that in my view this is another piece of legislation from this government that is an attack on

business, that is part of the anti-business stance of this government.

Mr Smith — You would say that.

Hon. BILL FORWOOD — I would because it is true. Let me talk briefly by way of illustration about the common rule that honourable members opposite trumpeted so proudly. What we have discovered since then is that the education department has had to provide additional funds to its schools because they could not get them cleaned. What we have discovered is that the hospitals have had to be given augmentation funding because they could not pay their bills. What we have discovered since this government changed the public holidays legislation is that again — —

Mr Smith interjected.

Hon. BILL FORWOOD — Is this part of the attack? What we have discovered in all these things is that the government itself has had to provide augmentation funding because of the common-rule changes, because of the public holiday changes it has made to its own employees, to its own agencies that are employers. There is nobody in the private sector to provide the augmentation funding. Private employers have to find it themselves. The government did not realise and did not accept the extraordinary strain that this type of legislation puts on the private sector.

There is another aspect. If you want to look through this particular piece of legislation — and I am sure I will be able to find it again — there is a provision in the existing legislation that says that for the purposes of working out long service leave, public holidays are included. So if you go on long service leave and a public holiday occurs while you are on long service leave, you do not get an extra day. That has changed under this legislation. What happens now is that if you are on long service leave and there are public holidays, they get added on the end. Honourable members opposite will say, ‘This is only fair. This is only reasonable. They would have had them if they had been at work’, but of course they are not at work. The issue is that that just means that the employer has to hire another person to do that job the while the person stays on leave longer.

Unlike some people I have no objection to the concept of long service leave. I think, though, that it should not become just another slush fund, just another way of providing greater emolument to various members of the union movement. The examples I have given so far are minor examples. The fact is that now they get the entitlement if they steal, and public holidays are

included as well. It is just ridiculous that these things go on and on. What we heard from Mr Smith was that he is looking for leave loading plus, plus, plus on long service leave, and he has no compunction about saying that this is the way that we in this society should move.

Yesterday we discovered that there were 68 000 new small businesses created in Australia last year, but would you believe that in Victoria there were 12 800 less, if my memory serves me correctly. Why is that? It is because we have a government that is anti-small business. We have been putting up with the land tax fiasco and now we have this sort of legislation. Whichever way you look at it, it is no wonder small business operators decide it is easier to go somewhere else or to get a job so that they get all the benefits that Mr Smith wants them to have. I say to honourable members opposite, particularly to Ms Darveniza, who was critical of the previous government, that we inherited a state that had the highest unemployment rate that this state had seen since the Great Depression caused — thank you! — by the recession we had to have and the extraordinary gross mismanagement by the Cain and Kirner governments. What we did was create employment. We created job after job after job, and the people who had fled from the state came flocking back, as they are still doing through the work done by the Howard-Costello government working to create jobs in this state. This is another attack by this government on small business. It is ludicrous that that should be so. I cannot imagine what this government thinks it is doing putting another impediment in the way of the future of this state.

I look forward to the Howard government taking control of the Senate on 1 July and moving to revitalise the nation through bringing in proper industrial legislation — proper laws that will encourage employment, that will create jobs throughout the state in the interests of all Victorians. Like other members on this side of the house, I vehemently oppose the dreadful legislation that the state government has seen fit to bring to us today.

Ms ARGONDISSO (Templestowe) — I am pleased to rise to make a contribution to the Long Service Leave (Amendment) Bill. The purpose of this bill is to amend the Long Service Leave Act 1992 to make it fairer and more consistent with legislation in other states and ensure that people who take family leave, casual employees and seasonal employees are not disadvantaged.

Long service leave is an employee entitlement throughout Australian jurisdictions. The changes proposed here will mean that more people in the work

force will be eligible for long service leave. These are people such as women, young people and unskilled workers. Women are generally the ones who are responsible for raising their families. Women are the group in our community who are forced to leave their employment and then return to work on a casual basis while they raise their families. I learnt very early in my working life that women I worked with who were much older than I was and had been working for a lot longer than I had — probably around 20 years on and off — had never been eligible for long service leave entitlements.

Women are definitely a group that will benefit from the changes in this bill. The other groups — young people and unskilled workers — are generally employed on a casual or seasonal basis. Many employers will not hire staff on a permanent basis purely to deny employees their long service leave entitlements. This legislation may encourage employees to remain in their workplaces longer so as to take advantage of the benefits. In turn the employer will benefit from consistency and will also save on expenses associated with the re-employment, replacement or retraining, of staff.

This bill provides for members of the community who work on either a casual or a seasonal basis and do not remain in a job longer than 10 years to receive this entitlement. Until now these people — who are generally part of the unskilled labour force — have not been able to access long service leave entitlements. This bill provides to a larger proportion of the community a fairer opportunity to access long service leave. The government is committed to providing workers with better conditions and fairer access to benefits while stimulating the business sector with good fiscal management. I commend the bill to the house.

The ACTING PRESIDENT (Ms Hadden) — Order! I call the next speaker, the Honourable Phil Davis.

Hon. PHILIP DAVIS (Gippsland) — Acting President, before the clock is started, the Chair should address me by my proper name — that is, Philip Davis.

The ACTING PRESIDENT (Ms Hadden) — Point taken, Mr Davis. I call the Honourable Philip Davis.

Mr Smith — Five minutes!

Hon. PHILIP DAVIS — Five minutes? The clock says 15 minutes and 52 seconds at this stage. We are debating the Long Service Leave (Amendment) Bill.

Hon. J. H. Eren — Address the Chair by her proper title.

Hon. PHILIP DAVIS — The Acting President is doing a very fine job without your assistance, thank you very much.

I reiterate that the opposition will oppose this bill on the basis that it is a bad piece of legislation. Why is it bad? The answer is fundamental — because it will increase costs to employers, in particular to small businesses, which are the engine room for creating employment and productivity in this state. It is quite clear that the government's approach to this legislation is to implement while it can — while it has control over both houses of Parliament — changes to employment arrangements in Victoria that are consistent with its partner in politics, the trade union movement.

Strong representations have been made from employer groups and employers, who make it clear that they are thoroughly opposed to the general approach being taken by this government on a consistent basis. The compliance arrangements for employment in Victoria are being changed to an extent that it is increasingly difficult for small businesses — particularly sole traders, partnerships and, through different legal arrangements, family concerns — which have a small number of employees. As a result of the continuing changes to the compliance regime for employment, their desire to be employers is lessening.

I make the point that these businesses are overrepresented in country Victoria in a proportionate sense — that the majority of businesses outside Melbourne are very small businesses.

They are typically defined as family concerns. It is the case that in those family concerns very few people who operate those businesses have it within their gift to reward themselves with the benefits of employee entitlements as reflected by the aspirations of the trade union movement in the claims being perpetually made, including this claim for additional benefits by way of long service leave arrangements.

This legislative change is completely contrary to the notion that has been evolving under respective state and federal governments over the last couple of decades to move away from the prescribed central wage fixing arrangements which many of the members of the government party in this place built their careers on as good servants of the industrial relations club.

Those arrangements have been progressively moving away to a more deregulated environment which has been supported, I note, by previous Labor governments

in Canberra and moving towards enterprise-based bargaining and workplace agreements. One of the fundamental issues that the bill deals with is to subvert the terms and conditions negotiated between employees and employers such that may be included in those EBAs and workplace agreements. By legislating in the way and manner in which the government is intending to with the Long Service Leave (Amendment) Bill not only are we reducing the capacity of small businesses to employ but we are increasing the regulatory regime which prescribes and removes flexibility in employment arrangements.

I note the previous speaker, in her very limited contribution during the nanosecond she spoke, referred to the benefits arising from the bill including the provision of long service leave to people who had taken a period of unpaid leave for family arrangements and to extending the obligation for employers to pay long service leave entitlements to seasonal employees and casuals. I make the point that many industries are structured on casual employment relationships, which are very clearly to the benefit of both employers and employees. If it were not for that flexibility, the jobs would not exist at all, and therefore the employees would not have the opportunity to obtain work and the employers would not have the capacity to employ full-time or permanent employees to do what are in effect short-term employment contracts.

The inclusion within the reach and ambit of this legislation that provides for long service leave entitlements under those employment arrangements clearly means the cost of those short-term contracts will be increased, notwithstanding that the rates of pay and typically the hourly rates of pay and piecework rates of pay for those industries already allow for the fact they are short-term contracts, and therefore, there is a prescribed higher rate of pay for those short-term employment arrangements than if they were to work full time or be permanent.

Similarly I find it quite bizarre that somebody can take unpaid leave for family reasons and have that time when they are not contributing to an enterprise credited in terms of their length of service to the entitlement for long service leave.

Mr Smith interjected.

Hon. PHILIP DAVIS — I see Mr Smith shaking his head and saying that they are not. I think Mr Smith should read his own legislation. He has been an exponent in the art of the industrial relations club for many years. He has supped at the trough of the industrial relations club over a long time and has made

an art form of being expert in matters affecting personal benefits of employment and entitlements. I say Mr Smith should read his own bill, because that is what it does.

It means that a person who has made no contribution to the efforts of the enterprise, their workmates, their employer and the people with whom they are engaged will be entitled to a benefit which they have not earned. I have no wish to suggest that people who make a significant contribution to a position and place of employment are not worthy of reward and acknowledgment, but I do say that it is abundantly clear that the employer-employee relationship is one of mutual obligation, and I do not believe that an obligation should be applied arbitrarily on an employer to contribute to the financial welfare of an employee who has not contributed to the material worth of the enterprise. They are a couple of reasons why we should oppose the bill.

I would like to refer to some comments received from a constituent, G. K. and K. M. Trease, builders, of Meeniyan. I know Mr Gil Trease, a builder, and a very honourable but frustrated man. I had a meeting with Gil who wrote not long ago to the Minister for Industrial Relations, Rob Hulls, in the other place and to Marsha Thomson in her capacity as Minister for Small Business.

Sitting suspended 6.29 p.m. until 8.02 p.m.

Hon. PHILIP DAVIS — In my remaining 4 minutes and 44 seconds I will continue where I left off before dinner. I was referring to Mr Gil Trease who has a small building partnership based in Meeniyan in South Gippsland. He made the point that the employment costs to his business have significantly increased over the last several months because of the changes made to the employment arrangements in this state. He says that his employment costs have now increased 47 per cent per week per full-time employee, adding \$50 000 extra costs to his small business with no trade-offs whatever. He is just appalled. In his correspondence to the Minister for Consumer Affairs, then the Minister for Small Business, he said he could not wait for the next election. I might say that is a very common sentiment in country Victoria at the moment.

I note that the Victorian Farmers Federation has made the point eminently clear in relation to loadings for casual employees, bearing in mind that farm workers are often and largely part-time, casual and seasonal workers and that there are fairly well established precedents in regard to the way that people who work in agriculture do so on a casual basis. This was

recognised two years ago by an arrangement made between the VFF and the Australian Workers Union (AWU), the former union of Mr Smith, which argued that an increase was required to compensate employees for the lack of benefits including long service leave. The result was an increase from 20 per cent in the casual loading. The VFF well articulates the point that the long service leave arrangements for casual employees are covered in these loadings, and in the particular case which I cite the outcome of wage negotiations which were put into effect between the AWU and the VFF was a significant increase. Mr Bowman of the VFF said in relation to this legislation:

This legislation will mean casuals would be double dipping without the employer getting any productivity gains from the increase in entitlements ...

He went on to say:

The Victorian Labor government should not expect employers to continually put their hand into their pockets without something in return.

The bottom line is that it will be very difficult for small businesses, which are the majority of employers in this state and particularly in country Victoria, to absorb the additional costs that this legislation will impose. Moreover, this is a real blow to all those businesses in country Victoria which are under significant financial duress as a consequence of the widespread drought in eastern Australia. We are dealing with businesses which are operating at the margin of profitability and which in many cases have been operating with cash deficits for some years — and I am not talking just about farm businesses but those businesses in the agricultural services industry which are the mainstay of employment in many country towns and which will find it impossible to absorb these loadings. It will mean that they will reduce employment opportunities or, in some cases obviously, these additional costs will tip them over the edge in terms of their ability to keep their door open.

There are many reasons to oppose this legislation. In the very brief time that I have had to address the issue I have summarised by saying this is about unjustified cost and expenses.

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

House divided on motion:

Ayes, 21

Argondizzo, Ms
Buckingham, Ms

Mikakos, Ms
Mitchell, Mr

Carbines, Ms
Darveniza, Ms (*Teller*)
Eren, Mr (*Teller*)
Hilton, Mr
Hirsh, Ms
Jennings, Mr
Lenders, Mr
McQuilten, Mr
Madden, Mr

Nguyen, Mr
Pullen, Mr
Romanes, Ms
Scheffer, Mr
Smith, Mr
Somyurek, Mr
Thomson, Ms
Viney, Mr

Noes, 19

Atkinson, Mr
Baxter, Mr
Bishop, Mr
Bowden, Mr
Brideson, Mr
Coote, Mrs
Dalla-Riva, Mr
Davis, Mr D. McL.
Davis, Mr P. R.
Drum, Mr

Forwood, Mr
Hadden, Ms
Koch, Mr
Lovell, Ms
Olexander, Mr
Rich-Phillips, Mr
Stoney, Mr
Strong, Mr (*Teller*)
Vogels, Mr (*Teller*)

Pair

Broad, Ms

Hall, Mr

Motion agreed to.

Read second time; by leave proceeded to third reading.

Third reading

The PRESIDENT — Order! The question is:

That the bill be now read a third time and that the bill do pass.

House divided on question:

Ayes, 21

Argondizzo, Ms
Buckingham, Ms
Carbines, Ms
Darveniza, Ms
Eren, Mr
Hilton, Mr (*Teller*)
Hirsh, Ms
Jennings, Mr
Lenders, Mr
McQuilten, Mr (*Teller*)
Madden, Mr

Mikakos, Ms
Mitchell, Mr
Nguyen, Mr
Pullen, Mr
Romanes, Ms
Scheffer, Mr
Smith, Mr
Somyurek, Mr
Thomson, Ms
Viney, Mr

Noes, 19

Atkinson, Mr (*Teller*)
Baxter, Mr
Bishop, Mr
Bowden, Mr (*Teller*)
Brideson, Mr
Coote, Mrs
Dalla-Riva, Mr
Davis, Mr D. McL.
Davis, Mr P. R.
Drum, Mr

Forwood, Mr
Hadden, Ms
Koch, Mr
Lovell, Ms
Olexander, Mr
Rich-Phillips, Mr
Stoney, Mr
Strong, Mr
Vogels, Mr

Pair

Broad, Ms

Hall, Mr

Question agreed to.

Read third time.

Remaining stages

Passed remaining stages.

**ROAD SAFETY (FURTHER AMENDMENT)
BILL**

Introduction and first reading

Received from Assembly.

Read first time for Ms BROAD (Minister for Local Government) on motion of Mr Lenders.

BUDGET PAPERS 2005–06

Debate resumed from 18 May; motion of Mr LENDERS (Minister for Finance):

That the Council take note of the budget papers 2005–06.

Hon. J. G. HILTON (Western Port) — This will be the third budget that I have spoken on in this house since I was elected in 2002, and it certainly gets easier and easier and more enjoyable, just as I am sure the opposition's task gets harder and harder.

The budget brought down by the Treasurer, John Brumby, combines responsible financial management with socially progressive policies, and I find it very difficult to argue with that. The budget maintains the government's \$100 million surplus year in and year out, with a total commitment to use those resources to the benefit of all sections of society but with an emphasis on those people who are most disadvantaged. I contrast this budget with the budget of the federal government, the mantra of which appears to be, 'To those who have most, shall be given more, and to those who have least, shall be given less'.

I commence this contribution by quoting some comments made by the media on the day the budget was handed down. Michael Bachelard, referring to the Treasurer, wrote in the *Australian*:

And in this year's budget, he has again produced an intelligent and political document.

Further he concluded:

Even Doyle was left with little to criticise.

Terry McCrann in the *Herald Sun* said:

... it's another classic Brumby budget: safe, sustainable and shrewd.

The *Australian Financial Review* quoted Tim Piper, director of the Australian Industry Group, as saying:

The WorkCover, land tax and rental tax cuts will greatly strengthen industry's competitiveness at a time when we are facing our greatest challenge from surging global competition and the prospect of more difficult economic conditions.

In fact this budget has received almost universal praise, as indeed it should. I would also like to cite various editorials which appeared after the budget was brought down. The *Age* commented in conclusion:

For a Labor government searching for an identity, there can be no greater aspiration than assisting those left behind in times of economic prosperity. This budget starts to build a base on which the Bracks government can make an enduring reputation for itself.

And again from the *Australian Financial Review*:

The Victorian government does appear to have a keener appreciation of the reform imperative than other states, and its cuts to WorkCover premiums, land taxes and other business taxes will put pressure on other states to follow suit or lose business. But words will have to be matched by deeds in other areas if they are to ring true. Victoria is doing some positive things in schools and health care.

And finally from Tim Colebatch in the *Age*:

This budget ... finally ditches the inappropriate fiscal framework left by Alan Stockdale, under which the budget's bottom line rose and fell with the tide of the stock market. From now on, under a reform backed by both sides, Victoria's budget balance will reflect real revenue and spending, not changes in the value of the state's share portfolio.

He continued:

What this budget does is overwhelmingly good.

And he finally summed up:

But this is another professional job, from a Treasurer who could one day outlast even Peter Costello. It squarely occupies the middle ground, and gives shadow Treasurer Robert Clark a tough job finding gaps where the Liberals can reclaim their turf.

I would like to spend some time discussing just a few aspects of the budget documents — firstly, the land tax reforms. The government acknowledges that with increasing land values the land tax burden has become more onerous. It has listened to the concerns of landowners and in this budget is providing relief of over \$800 million over five years, which is in addition

to the \$1 billion of relief announced last year. The focus of the reforms is to provide targeted relief to those taxpayers who have experienced large increases in their land tax liabilities.

Initiatives include increasing the tax-free threshold to \$200 000; exempting aged care facilities, supported residential services and rooming houses; and ensuring that the result is that 98 per cent of businesses will now pay less land tax in Victoria than they would on the same property holdings in other states. Finally, to ameliorate the sometimes very large increases in land tax, in 2006 taxpayers will have their tax liabilities cut so that the increase can be no greater than 50 per cent of the 2005 tax liability for the same property.

I would also like to make some comments about the education initiatives in the budget. Later in my contribution I will indicate the education benefits received in Western Port Province. However, in summary over \$94 million is being made available for 16 new and replacement schools. Over \$145 million is made available for the modernisation of school facilities and over \$30 million to build specialist facilities through the leading schools fund and rural learning centres.

However, the initiative I would particularly like to discuss is the nearly \$100 million which has been allocated for high-speed, fibre optic broadband under the SmartONE initiative. Under this four-year program all Victorian government schools will be able to have high-speed fibre optic broadband systems. To ensure that the Bracks government continues to govern for all Victorians, all city and country government schools will share the same capacity. Some of Victoria's small schools will have their bandwidth capacity increased by more than 60 times, and schools will be able to add further capacity if they choose.

We all know that we live in an education age — an information age. People of my generation may still struggle to come to terms with the rapidly changing technological environment in which we live. I admit I am still resisting buying a Blackberry, much to my electorate officer's disappointment. However, our young people are growing up with this technology and to them, it is second nature. They take it for granted, and it is important that we are able to provide for them the most up-to-date, modern technology that we can to enable them to realise their potential.

As the Minister for Education Services in the other place said in her press release, this investment will open up a new world of learning, teaching and administrative efficiency for Victorian government schools. Students

will be able to learn in an environment where technology and digital tools increasingly available to them are supported by the best possible IT infrastructure at the school. Members of this house will be aware that this initiative is made possible through the government's telecommunications purchasing and management strategy. I compliment Telstra which has been so supportive of these initiatives. The future of our nation depends on the next generation; this initiative ensures that they will be given every opportunity to have the best start possible in their education and to realise their potential.

I would also like to comment on the initiatives which were included in the budget for my electorate of Western Port Province. The Bracks government continued its investment in upgrading education facilities by announcing a significant upgrade at Pakenham Secondary College, an upgrade of Western Port Secondary College and further funding for the new school at Somerville. The upgrade at Pakenham Secondary College, to cost \$4.5 million, will include moving the college's relocatable classroom complex to a more suitable area, followed by the construction of a new multilevel facility containing personal development, information technology and general purpose classrooms, a senior students' lounge, lockers, students' toilets and a large lecture theatre. Also announced in the budget was a \$20 million aged care facility in Mornington, which will ultimately replace the old facility at Mount Eliza; and there is a commitment to extend the duplication of the Bass Highway from Grantville to Corinella.

As I have mentioned previously in some of my contributions to debates, Western Port Province is unique in that it is an upper house seat held by one party while three of the corresponding lower house seats are held by another party. I am not sure whether this has happened before but certainly it is not very common. It therefore gives me a good perspective as to how the government distributes its funds. In the three years that I have been here I have seen these funds distributed in a purely non-partisan way, and of course that is how it should be.

However, that was not always the case. In the Kennett years regional Victoria was referred to as the toenails of the state. In my experience the only thing you do with toenails is cut them, and that is what the Kennett government did. It cut services — —

Hon. B. N. Atkinson — President, I draw your attention to the fact that the state Labor conference has finished and I would have thought the government

would now be able to maintain a quorum. I draw your attention to the state of the house.

Quorum formed.

Hon. J. G. HILTON — As I was saying — —

Mr Somyurek — You were on the toenails.

Hon. J. G. HILTON — Yes, Mr Somyurek, I was up to the toenails. I was saying that what you do with toenails is cut them, and that is what the Kennett government did. It cut services, closed schools, sacked teachers and sacked nurses.

This budget continues the philosophical underpinning of the Bracks Labor government, which is to govern for all Victorians and provide them with the high-class services that they need and to which they are entitled. There can always be the criticism of any budget that it does not go far enough. There are always opportunities to spend more on health, education, social services, roads and infrastructure, or indeed any of the other areas covered by the budget. However, there is a finite amount of money available for redistribution. The total budget comes to \$30 billion. The government is forecasting a surplus of between \$300 million and \$400 million, which is less than approximately 1 per cent of the total budget.

Hon. B. N. Atkinson — President, the state of the house is such that you do not have a quorum.

Quorum formed.

Hon. J. G. HILTON — It is so easy for the opposition to say that the government should have spent more. If any opposition member says that I would like them to also say where they would have spent less. Budgets are about priorities. The government, I believe, has always got the balance and its priorities right, and it should be commended for it. However, there is one area where additional funds are available, and they could be used on other services. On the Thursday of budget week I attended a most competent presentation by Ian Little, the secretary of the Treasurer's department. That presentation was attended by a number of members of this house. I certainly noticed Mr Baxter there, and I believe Mr Forwood was there as well. One of the more interesting slides which Mr Little presented was entitled 'Victoria's growing subsidy to other states — GST raised vs. received'. That slide indicated that over the last two financial years and the forthcoming financial year the subsidy which Victoria makes to the other states has been approximately \$4 billion. I ask honourable members opposite what could have been done with that money if it had been available to the

Victorian Treasurer? How many more schools could be refurbished? How many more world-class hospitals could be built? And, if you like, how much extra relief could be given to land tax payers?

I ask members opposite as part of their contributions to the budget debate to indicate what they are going to do to try to redress what is obviously a totally inequitable situation. I ask members opposite to lobby their Liberal colleagues in Canberra to renegotiate the agreement whereby \$4 billion of Victorian taxpayers money goes to subsidise other states.

Mr Pullen — They are Liberals first and Victorians last.

Hon. J. G. HILTON — Will the members opposite accept that challenge? I do not think so, because as Mr Pullen so correctly says, they are Liberals first and Victorians second. In summary, I am pleased to commend this budget to the house. This highly intelligent, practical document maintains the Bracks government's commitment to sensible, responsible financial management and progressive social policies. I commend it to the house.

Hon. B. N. ATKINSON (Koonung) — It is ironic, and something of a truism in some ways, that David Broadbent, a reporter with the Channel 9 news, broke the news about the recent Victorian budget. That is particularly a poetic and perhaps an appropriate thing to have happened because this budget in many ways is a triumph of public relations over financial responsibility and a triumph of headlines over detail. While listening to the last speaker I was a little concerned that the contributions of a person of his intellect to debate in this place have been so indelibly positioned in terms of the government's rhetoric on this budget rather than a proper analysis that would be commensurate with his skills, given that he came from the financial world, and his recognition of just what this budget purports to be and what it actually delivers.

This budget is very much a public relations exercise. This government, which trumpets that it is open, accountable and transparent, proves time and again that it is anything but. There is a failure to provide answers at question time day after day. The Leader of the Government, who is also the Minister for Finance, is one of the chief culprits who fails to provide answers to basic questions that the opposition poses for the sake of its constituents and Victorians who would like to know a little more about their state's performance and the funding and progress of particular projects.

If you listen to the answers that we get in this place day after day you would have absolutely no idea. If you look at these budget papers, it is hard to fathom exactly what is the position of the state's finances because this project, as I said, is a triumph of the press release, a media spin exercise rather than any exercise where a budget ought to be a document that implements government policy.

When we look at this budget and the Treasurer's and Premier's protestations about how good this budget is, we see that they are talking about things like \$10 billion in capital works. That is the headline for this budget: \$10 billion in capital works. There are a whole lot of other subheadings about \$285 million here, \$500 million there, \$80 million there and \$9 million there. The sums are damned impressive. If you are in Victoria you might pick up a newspaper and say, 'Gee, that government is doing a good job'.

The problem is in the fine print because that \$10 billion, for instance, is over four years, not a single year process. It is not just this budget, but is part of this budget and part of a forward forecast. All of the sums that are mentioned, sums that even Mr Hilton referred to in his debate tonight, are sums that are spread over a number of years and are not part of a single year allocation. Therefore they are sums that make this particular budget a budget of fantasy, a budget of fiction, not a budget that really documents what has been provided for Victorians. All too many projects in this budget, if Mr Hilton cares to apply the skills that he has to an analysis of this budget, will indicate that those projects in many cases are strung out beyond the next election. There is no delivery on those projects ahead of November 2006; rather they are due after the next election which allows the government to continue its practice of issuing press releases week in, week out, alluding to projects that in many ways are a part of the never-never program.

Mr Lenders — What about the showgrounds and the synchrotron?

Hon. B. N. ATKINSON — I will come to the synchrotron, 'don't you worry about that', as one other politician in Australia said! When this government came to office in 1999 state budget expenditure was \$19 billion. In these budget documents state government expenditure stands at \$30 billion. One of the things that every government member ought to ask themselves, and every member of the Victorian community is certainly starting to ask is, 'Do we have a 46 per cent improvement, or indeed even a one-third improvement, in schools, hospitals, public transport, emergency services, even in areas such as parks? Are

they 30 per cent better today than they were in 1999?'. The answer is no.

Hon. Andrew Brideson — President, I direct your attention to the state of the house.

Quorum formed.

Hon. B. N. ATKINSON — These budget documents have a lack of accountability in terms of this government's performance as well — for instance, there is insufficient detail to allow full and proper analysis of projects like the channel deepening project. Where is the money for it? The government touts it as its policy. Where is the money? Is the ConnectEast project part of the \$10 billion program or is it separate? How much of the ConnectEast project is provided for by the government's budget? It is not identified separately in those papers. There are also question marks about how much funding of VicRoads and other agencies such as water authorities have been taken into these budget papers to trumpet, particularly the figures in regard to capital expenditure.

It is interesting that in my portfolio responsibilities in the sports area I cannot find any funding for the national ice sports centre which the Minister for Sport and Recreation tells me he is about to make announcements on. I can only find \$10.8 million, which includes \$6 million in a capital allocation and \$4.8 million in budget planning funds, which incidentally are spread over some four years, for the new rectangular sports field that will be incorporated as part of the Melbourne Olympic Parks Trust development for Melbourne Victory, Melbourne Storm and the Melbourne Football Club. Where is the rest of the money for the capital funding of that particular project?

It is difficult to track the capital expenditure in this budget, and I wonder why? Because it would put a lie to the very claims that the Leader of the Government continually makes of projects being on time and on budget. It is something of an anthem of the government yet it is an absolute sham. Mr Hilton must be embarrassed when he hears that statement made consistently in this house when he knows it to be a lie.

The Spencer Street railway project is neither on time nor on budget. In fact it will not even be completed before the Commonwealth Games. The very fast train project is neither on time nor on budget. I am told the Melbourne Cricket Ground is behind schedule.

The Scoresby freeway project, ConnectEast, had a budget of \$1.6 billion; it is now \$2.5 billion — that is neither on time nor on budget. The synchrotron project,

as was pointed out in question time today, is neither on time nor on budget despite the fact that the project has been reduced in its scale and technology. The on-time and on-budget line seems to be reconciled by Minister Lenders and the government by shifting time lines and changing budgets to suit and to escape from the fact that they are mismanaging many of these projects.

I welcome the improvements to Ferntree Gully Road, at \$4.7 million, and the Frankston to Ringwood SmartBus project in my electorate of Koonung Province, but I note the bus project will take two years to implement. We can expect to see the bus arrive very close to the November 2006 election; in fact, Mr Hilton might get one of the first rides on that bus in, I dare say, October 2006, but the timetable will no doubt come much later.

I welcome the palliative care facility in Knox although I note it will not be delivered until mid-2007, which is also after the next election. I caution the government that this project with its merits such as it has is certainly not a substitute for the Knox hospital.

I welcome the community legal centre in the outer-east but I note in terms of my electorate's position there is no improvement to the railway crossing on Springvale Road. There is no improvement to be made in schools' maintenance. Upgrades at schools that have completed their master plans and in some cases have commenced redevelopment of their schools have not been funded for further stages, and I refer particularly to the Antonio Park and Rowville schools.

The community houses in my electorate believe they have been short-changed by this budget because whilst the government has touted the fact that it has spent a lot more money on community houses, in fact there is absolutely no funding change for any of those houses in my electorate. None of them is in a position where the coordination of those centres has been funded to the levels at which they are currently running.

I note the Public Transport Users Association mentions that public transport improvements in the eastern suburbs are inadequate and have not met anything like the government's promises. I note that organisations like the Australian Food and Grocery Council, the Australian Industry Group, the Australian Institute of Company Directors, the Australian Retailers Association, the Australian Stock Exchange, the Business Council of Australia, the Corporate Tax Association of Australia, the Council of Small Business Organisations of Australia, the Federal Chamber of Automotive Industries, the International Banks and Securities Association Australia, the Institute of

Chartered Accountants, the Investment and Financial Services Association, the Master Builders Association, the Meetings Industry Association of Australia, the Minerals Council of Australia, the Property Council of Australia and the Real Estate Institute of Australia have all indicated that this budget falls short of their expectations of what it ought to have delivered to business.

I certainly notice that a whole lot of small business people and particularly small property investors believe that the land tax solutions delivered by this government are far from solutions at all. They are inadequate. Mr Hilton would know they are inadequate because he is capable of doing the sums. This will come back to bite the government next January because those projects are inadequately funded.

I notice in terms of the small business sector, for which I have portfolio responsibility for the Liberal Party, a statement is made on page 23 of the *2005-06 Victorian Budget Overview*:

The government continues to drive down business costs making Victoria a great place to do business and an attractive location for investors.

It is anything but that! As Mr Forwood explained today, the growth in small business numbers in Victoria compared to the rest of Australia has been very poor for the last 12 months. This government has brought to this place a whole raft of legislation that has been a significant discouragement to small business investment, to investment in new jobs and products and services. Those businesses recognise that the reality of the government's performance compared to its rhetoric and press releases is a vastly different circumstance. In fact Victoria is in real strife in terms of its performance under this government. This budget for the most part is an illusion — it is all smoke and mirrors. It does not deliver the sort of advancement Victoria ought to have expected.

The reality is that the government is flush with money; that it has been living in an environment where the economic performance of the country as a whole has been so strong and where revenues have grown strongly thanks to the GST — the government continues to condemn it but happily accepts the cheques from federal Treasurer Costello; that it is flush thanks to a whole range of other initiatives that have been put in place by the federal government in particular; that it is flush thanks to the extraordinary revenue raising on everything from traffic cameras to the indexed fees and charges that it refuses to publicly admit or catalogue. The Minister for Small Business refused yesterday to say what small business would

face in terms of additional charges and fees. The government has refused to acknowledge all those things.

The revenue is coming in and yet what is to show for it? Not very much. None of those projects is on time or on budget. The mantra and rhetoric may be there, but the fact is the government is not delivering against it. Mr Hilton knows it — —

Hon. Bill Forwood — Mr Pullen knows it.

Hon. B. N. ATKINSON — Mr Pullen knows it! They have the intelligence and the ability. Mr Smith actually says it is a pretty poor budget; he told me he thought it was a pretty poor budget — —

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

Hon. J. H. EREN (Geelong) — I am very pleased to be speaking on the appropriation bill and I would like to take this opportunity to congratulate the Treasurer and the Premier on a great job. I say that because the state budget has been warmly welcomed by the Victorian community for its expert juggling of the finances while ensuring generous spending occurs throughout the state.

From my the point of view of my electorate of Geelong Province, I and my colleagues are more than delighted with these announcements to the tune of approximately \$70 million. I could speak for hours on how much Labor has invested in Geelong Province since coming to office in 1999, or even since I was elected at the end of 2002, but I will narrow my comments to this budget.

Before I highlight the bigger issues of health, education and community safety, I would like to point out some of the smaller but no less important spending in the Geelong region through the 2005–06 budget. For the first time Geelong's Pako festival has secured funding for the next three years. No longer will organisers be stressed about where the money will be coming from this year to run this multicultural festival, because this important community event has now been allocated the necessary funding in the budget to see it get bigger and better for many years to come. This budget also expands the neighbourhood renewal program in Norlane and Corio in my electorate. This successful neighbourhood renewal program gives residents in disadvantaged communities the opportunity to plan the renewal and upgrade of their homes and streets.

To date 15 communities ranging from those in inner urban high-rise estates to those in regional centres have benefited from housing upgrades, new jobs, safer

streets and better access to essential services.

Unemployed residents have carried out much of the work through a community jobs program, with many participants going on to further employment or training. This project is growing in great leaps and bounds, giving a real sense of worth to these communities that were neglected in the past by the previous government. I am very glad to vote on a government program that helps the community take the initiative and build up social infrastructure itself. This government has also been very strong on community safety, and Geelong has certainly benefited from that. There is money in the budget for a new police station at Torquay as well as mobile police facilities across the state, including in region 2, which I understand covers our region.

The Bracks Labor government continues to cut hospital waiting times with its commitment of a staggering \$30 million waiting list blitz. This impressive figure will be used to treat 10 000 patients on the state's waiting lists. Geelong has also secured \$26.1 million for the emergency department at Geelong hospital. This is \$6 million more than we promised in our election commitment in 2002. We did this because we understand there is an increasing population, and we therefore need to put extra funding into accommodating this growth. You do not hear of that happening very often — a government giving more than it promised. We are also spending \$1.2 million on land and buildings for the 24-hour ambulance station for Ocean Grove and Barwon Heads. This will include 11 full-time paramedics and 2 fully equipped ambulances at a cost of \$160 000 each. I also point out that we are spending \$880 000 on the replacement of a government-staffed supported accommodation house for people with disabilities at Belmont. Geelong patients will benefit from the range of medical spending across the state. We are spending \$38 million for the Royal Children's Hospital stage 1 development, which is something I am sure everyone in this place fully endorses.

The Bracks Labor government has always been committed to the big three — health, education and community safety.

Hon. Andrew Brideson — Acting President, I draw your attention to the state of the house.

Quorum formed.

Hon. J. H. EREN — I have spoken a little about the Torquay police station. I would like to point out something arising from this budget concerning speeding fines. The issue of speeding fines has been quite controversial — all fines are — but with this

budget moneys received through speeding fines will go directly to improving our roads and not into consolidated revenue. This is important because Victorians need to know that this government is serious about making our roads safer. It is very easy for the opposition to take pot shots at the government over this issue, but as a member who sits on the Road Safety Committee I can state absolutely that these cameras do save lives and that we are much better off having them there. By making sure that the fines money goes to improving roads we can make a bigger statement to the Victorian public — that is, that this government is committed to making Victorian roads safer and is not just interested in raising revenue.

Education is another big winner throughout the state, and I will give a list of some of the things we are doing in education in the Geelong region: stage 1 of the Newcomb Secondary College replacement school, \$3.3 million; the modernisation of Belmont High School, \$5.2 million; Colac Primary School, \$2.4 million; Grovedale Primary School, \$1.1 million; the stage 2 replacement of Barwon Valley School, \$3.6 million; an upgrade of buildings for trade training at the Gordon Institute of TAFE's East Geelong campus, \$9 million; at Matthew Flinders Girls Secondary College a \$1 million refurbishment to the adjacent curriculum resources centre facilities; and the new Aireys Inlet campus for Lorne College, \$1.7 million. All schools in the region will be connected to broadband as part of an \$89 million statewide program that is bringing our schools into the 21st century and ensuring that our children are not left behind on the information superhighway. We are also allocating \$115 million for non-government needy schools, with the main focus on extra funding for Catholic schools.

Other initiatives in the budget are \$92 million for state national parks; an extension of the first home buyers grant; a 10 per cent reduction in WorkCover premiums; and retrospectively from 1 January 2004 aged care facilities, rooming houses and supported residential services will be exempt from land tax. I will point out some of the achievements of this government since it was elected in 1999. Over its five budgets the government has kept the budget in surplus, maintaining Victoria's AAA credit rating. Having said that, I also point out that Victoria's AAA credit rating has been reaffirmed by rating agency Moody's Investor Services, and Moody's credit opinion on the state of Victoria's finances found that a strong financial performance and prudent fiscal management underpinned the state's AAA rating. Moody's report noted that:

Victoria's sizeable and diversified economic base amply supports its financial operation.

Economic expansion (in Victoria) is still expected to exceed the national average, boosted by business investment and consumer spending.

International ratings agency Standard and Poor's also reaffirmed the state's AAA credit rating following the state budget. Standard and Poor's rates around 180 regional governments in the developed world outside of the United States of America, and of those only 16 per cent are rated AAA.

Hon. Andrew Brideson — AAA, here to stay.

Hon. J. H. EREN — That's right, Mr Brideson — AAA, here to stay. There is other economic data that also proves that Victoria is in a strong financial position. The indications are that in 2004 Victoria had the highest level of building approval values of all states, overtaking New South Wales. Victoria's population hit 5 million last year, and the rate of population growth exceeded the national average for the first time in over 40 years. Public sector infrastructure investment is expected to average \$2.6 billion a year over the next four years. We have also doubled capital works funding and committed just under \$10 billion to infrastructure projects over the next four years. We are investing an additional \$1.28 billion towards upgrading, replacing and building new schools and TAFE facilities, including the construction of 51 new and replacement schools and the investment of \$200 million into new and upgraded TAFE infrastructure.

We have recruited more than 5000 full-time teaching and other staff for Victoria's schools. We have reduced average P-2 class sizes from 24.3 in 1999 to 20.9 in 2004 by providing an additional \$220.7 million for prep, year 1 and year 2 teachers.

We have saved the Austin Hospital from being sold off and stopped plans to hand over public hospitals to private interests. We also saved the Grace McKellar Centre in Geelong, which was earmarked by the previous government to be sold off; in stark contrast to that, we have allocated \$50 million towards its development. We have modernised health and aged care facilities across Victoria with \$2 billion in new investment, which includes the opening of Melbourne's first new suburban public hospital in 20 years at Casey and also the major redevelopments at the Austin Hospital, Mercy medical centre and the Royal Women's Hospital. We have also employed an extra 5766 nurses and introduced new systems to increase the capacity of public hospitals.

We have increased the number of police by 1150 and built 60 new police stations. We have facilitated more than \$6 billion in new manufacturing investment, generating 14 000 new jobs. We have reduced Melbourne's water usage by nearly 20 per cent with the community's strong support for the government's water saving campaign and water restrictions. We have set up the \$320 million Victorian Water Trust, which is now investing in key water projects across the state. We have restored common-law rights for seriously injured workers and introduced the most progressive occupational health and safety act in Australia.

We have also announced our A Fairer Victoria policy — our plan to reduce disadvantage and give Victorians opportunities to participate in their communities. This \$788 million action plan includes \$101.8 million for children, including the provision of funding to cut kindergarten fees for low-income families, extra kindergarten places and funding for children with disabilities; \$45.6 million to help troubled teenagers get their lives back on track; \$50.1 million to give older Victorians more opportunities to live independently by expanding home care and providing 2000 personal alert alarms; \$49.6 million to increasing home ownership among low-income people and increasing the supply of affordable housing in growth suburbs; \$119.5 million for Victorians with disabilities, providing more access to equipment such as shower rails, upgrades to accommodation and more respite for their families; and \$180.3 million to support Victorians with mental illness, providing more beds and mental health care workers and new treatment programs.

The package also includes support for new Neighbourhood Renewal programs, greater resources for our justice system, a fair access to services for disadvantaged Victorians, help in turning around the poor health and lack of prosperity of indigenous Victorians, and new approaches to responding to family violence. I am proud to be a part of this great government which is doing great things for this great state.

Hon. J. A. VOGELS (Western) — Property taxes, it was once understood, were the domain of local government, but not any more. This government is collecting more in property taxes in this budget than local government. This year's budget handed down by the Bracks government reveals that the state collected even more from property taxes than local government. The Bracks government's insatiable appetite for revenue means it will strip and take anyone's revenue stream if it can get away with it.

Before I outline how this is occurring, I need to repeat what many members have said: when this government won the 1999 election state revenue was \$19.1 billion. We all remember that. This budget's revenue is \$30 billion — an increase of 52.5 per cent! You guessed it, even with an increase of 52 per cent in revenue it is still not enough. The government is going into deficit because even though revenue raised has increased by 52 per cent, revenue spent has gone up by 58 per cent. The government is spending 6 per cent more than it even took after that money grab. Local government funding from the state government has not increased.

Mr Lenders interjected.

Hon. J. A. VOGELS — I hear the minister saying, 'We put more into library services than the Kennett government did'. Of course it did, but it is only a few dollars, not 52 per cent, 53 per cent or even 30 per cent more; it is probably single digit percentages. It is easy for the government to say, 'We are putting in more money' because it is ripping it out of the system.

Let us look at the budget figures. Last year councils collected in rates \$2.2 billion. Last year this government took out nearly \$1 billion in land tax from exactly the same people who pay rates and property taxes. This year the government rips off another \$1 billion in land tax. Stamp duty receipts have gone up from \$1 billion in 1999 to \$2.2 billion this year, an increase of 122 per cent. The Bracks government takes more out of stamp duty than local councils take out of rates. That is absolutely outrageous. It must be so galling for councils that they are forced by this government every two years to have a revaluation of properties. Why is that? So the Bracks Labor government can load up its coffers with more land tax because of those revaluations. When a property is sold more stamp duty is put into this government's coffers!

Even with this river of money flowing into the Treasury, it is not enough. 'We have to get more; how can we get more?', it asks. The bureaucrats must be thinking, 'We have got to get more money off local government. How can we do this? Let's get into parking'. Parking has always been the domain of local government; it is a revenue raiser for local government. What did the government do? Drivers will be hit with \$57.5 million city parking taxes this year by the Bracks government. This annual levy on 48 000 long-term parking spots will start at \$400 and in 2007 will increase to \$800. Car park operators will pass this cost on to their customers. When the tax was introduced in Sydney in about 1992 it started off at \$200, went up to \$300 and \$400 and is now \$600. Did it stay within the

central business district of Sydney? Of course it did not; it extended to the suburbs! Victorians can expect the same. It will start off at \$400, and head up to \$800 or \$1000. Will it stay in the central business district? Of course it will not. It will extend out to the rest of the city into councils such as Whitehorse, Stonnington and Boroondara and then on to regional cities such as Bendigo, Ballarat and Geelong. The greedy Bracks government will have its fingers in the pie, saying, 'We want a share of everything, we need the money'.

Being an ex-councillor I found it interesting to look at the landfill revenue. Once upon a time you would take your waste to the local landfill site and pay \$1 or \$2 for a load of rubbish. What has this government done? It used to be a \$2 levy for a tonne of waste, but now it has gone to \$5 and \$7, or \$13 a tonne for industrial waste! Where does the money go? If it actually went back to councils and regional waste management committees you would say, 'Fair enough'. But only 10 per cent goes back to where it came from. Where does the rest go? It pays for the Environment Protection Authority, recyclers and so on, services that should be paid out of general revenue. Why should they be paid from the pockets of ratepayers?

This Bracks government has mastered the art of cost shifting. The Municipal Association of Victoria believes the government has cost-shifted about \$60 million a year since it has been in government. A councillor rang me today, saying that his council had just done its budget and it will put up its rates by 6.5 per cent this year. He said, 'Don't hit us too hard; don't say this is outrageous'. I was told that 2 per cent of the rate increase was because of cost shifting by the Bracks government on to local government, 2.5 per cent will be because of consumer price index increases and 2 per cent will be put on for matters that they believe are very important. We have rate increases of 6.5 per cent, but 2 per cent is because of cost shifting by the Bracks government on to local councils. Most of us know our councils and municipalities very well and this is the never-ending story that I get. As I travel around the 79 Victorian councils I actually get out and listen, unlike the minister who sits at her desk and no doubt gets plenty of letters and emails but does not actually get out and listen to them.

Home and community care funding is a very important part of local government. When I was on council during the period of the Kennett government it used to be 40 per cent federal, 40 per cent state and 20 per cent local government. That was the fair share. We find now that councils are paying 30 to 35 per cent of the share because of cost shifting. Who is doing the cost shifting?

Mr Pullen — Ring up your mates from Glen Eira council.

Hon. J. A. VOGELS — I am not talking about Glen Eira council. I will do that next week. This government blames the federal government for everything.

Mr Lenders — Not everything.

Hon. J. A. VOGELS — Just about. Name one thing you do not blame them for. Name one! The GST revenue pouring into Victoria, as set out in the budget, is \$8 billion and is untied. This government can spend it on what it thinks is important — \$8 billion! Why does the government not share some of that with local government? The budget also indicates that the government will start cost-shifting responsibility for neighbourhood houses and learning centres to local government. The minister denies it, as she would, but it used to be under the housing department. It will now go to the Department for Victorian Communities and local government. We also know from the hundreds of letters we are getting that it is only funded by the state government at 80 per cent of what it should be funded at, so there is a 20 per cent shortfall. Who will have to pick that up? When the people who run neighbourhood houses find out it is now under local government they will go to their local council and say, 'Hang on, you blokes are supposed to be looking after us, what about some more funding'. Of course you either do not fund them properly or cut their services.

Mr Lenders interjected.

Hon. J. A. VOGELS — Acting President, will you protect me from the minister's interjections? I can move on to libraries in talking about cost shifting because libraries are a good example. At one time they were funded 50-50.

Mr Lenders interjected.

Hon. J. A. VOGELS — It happens. Now they are funded 80-20. Once upon a time libraries were funded on a 50-50 basis between the state government and the federal government. I know when the Bracks government came into power it was no longer 50-50, but probably 30-70. Now it is 20-80 and it is going further and further onto local government. This government thought it was pretty smart and said, 'We will increase funding for libraries by the consumer price index every year, which is usually about 2.5 per cent. The costs are going up approximately 10 per cent a year, and when you start at that low base you will never fix the problem.

That is another issue for the government to look at. This tax-and-grab government is insatiable. I found it interesting, in fact I was amazed, to read two days ago in the *Herald Sun* about hidden fees and charges. This government refused to own up to the thousands of permits, taxes, fines and licence fees that it is ripping out of the system. It refused to admit it. The public out there knows what is happening.

I would like to comment on a media release from 10 mayors in the north-east of the state. I have met all of them, and they are good mayors; they are very nice and honest people.

Mr Pullen — What party do they belong to?

Hon. J. A. VOGELS — Some of them actually belong to your party. The media release states:

Following a meeting of the mayors and chief executive officers from the north-east of Victoria, a motion questioning the value of the budget for provincial Victoria was unanimously supported.

It had no objectors. I note some Labor mayors are included in the list. The motion was unanimously supported. It further states:

One example raised at the meeting was of the \$78.4 million budget for arts, not one dollar was allocated to regional or rural Victoria.

Not one single dollar! We in regional Victoria like the arts and we would not have minded just a little bit — but we got not one single dollar. The release continues:

Mayor of Towong Shire, Peter Joyce, chair of the North-East Local Government Network, stated that 'the budget appears to be Melbourne-centric'.

We have heard this before:

'There appears to be no obvious benefits for local government in north-east Victoria or for rural Victoria', he said.

...

A further motion resolved to invite the Treasurer and minister for regional development, John Brumby, to a future mayors/chief executive officers meeting'.

I emphasise the next part:

'It is imperative we do not get forgotten in a budget sense. We all know that there is an election next year and we are hopeful that the Bracks government takes note of our concern over the coming 12 months', said Peter Joyce.

I hope it does too, because I am a great believer in local government, and of rural and regional Victoria.

I went through the budget, and it actually cuts funding. What does local government do? Local government is

basically like a mixed grill. It has a finger in everything; it gets involved in everything. This budget actually cuts funding for programs that local government always has to be a partner in — in other words, cost shifting.

For tourism marketing, a very big issue for rural and regional Victoria, the budget is minus 7.6 per cent on last year; investment attraction is minus 41.2 per cent; regional development is minus 36.7 per cent; the regional infrastructure development fund is minus 53.2 per cent; public land management is minus 27 per cent; local road maintenance — and we all know how important the local roads out there are — is minus 14 per cent. Why did the government do that? Because the generous federal government put in lots of money for the Roads to Recovery program, which the state government refused to support.

In conclusion, this is the highest-taxing government in real terms that Victoria has ever had the misfortune to have govern it. It gives lip-service only in its support of local government, and I am looking forward to contrasting the different policies between this government and the Liberal Party as we head towards the next election.

Mr VINEY (Chelsea) — I rise in support of the budget brought down by the Treasurer. It is another outstanding budget by this Treasurer. It is a budget that continues the government's commitment to maintaining a minimum surplus of \$100 million. In fact, this budget brings down a surplus of \$365 million.

Hon. Andrew Brideson — Acting President, I draw your attention to the state of the chamber. I believe it is incumbent upon members of the government to listen to their own members.

Quorum formed.

Mr VINEY — As I had just started to say, this is a budget that has again brought down another surplus. It is a budget that has again delivered record infrastructure spending and record investment in our health and education systems. It is in stark contrast to the sorts of budgets brought down under the Kennett government, and I think it is important to recognise the contrast.

It is my view that one of the fundamental functions of government is to invest in the social fabric of the community, in the infrastructure and in the way that a community works — and works together. This budget has been about investing in that social fabric of Victoria: investing in our hospitals, our community services and our education. It is about pushing on with reforms that include reducing class sizes to 20.9 children in years P-2. When we came to

government the figure was close to 25 children in those years.

It is about pushing on in education, where we now have the highest retention rate in year 12, with over 85 per cent of students now completing their year 12.

It is about pushing on with our health services and delivering the biggest infrastructure rebuilding program in Victoria's history in our health system — projects like the Austin Hospital and the rebuilding of hospitals right across the state. It is about pushing on with investing in placing additional nurses into our system not only to ensure that we provide additional services to 168 000 additional patients per year but also making sure that is a quality service, making sure there is now a nurse-patient ratio that will deliver those benefits and that the health outcomes from those additional patients that come into our system are also improved.

It is about pushing forward in our road investments — for projects such as the Frankston–Cranbourne Road project in my electorate. It is about pushing forward with projects like EastLink. That project has been in the *Melway* directory since 1967 and consecutive governments have always failed to do anything about it. The Kennett government did not spend \$1 on that project nor did it project any money in the forward estimates for that project. But this government is building it — this government is getting on with that project.

It is about putting in place the infrastructure for our science and technology; and providing \$1 billion of investment in science innovation and technology in Victoria, including projects like the synchrotron, which, despite the opposition's rhetoric, is in on time and on budget. That project will be of benefit to Victoria, but members of the opposition have been trashing that project. They will rue the day they did that because everyone I talk to in the science and health research community cannot understand why the Liberal Party is opposed to that project.

This government has been on about investing in those things because we believe in investing in the social fabric of our community. It has been about, as outlined in the *A Fairer Victoria* statement, investing over \$100 million in our mental health services.

Hon. J. M. McQuilten — It's \$180 million.

Mr VINEY — It is about \$180 million, thanks.

It is about investing in disability services. When the Kennett government came to office it cut disability funding by 10 per cent. This government immediately

put an additional \$50 million into disability services; and we are putting more than another \$780 million, as outlined in the *A Fairer Victoria* statement, into the social fabric of our community for those people who are particularly disadvantaged.

These are the sorts of initiatives that have come from a government that is committed to investing in the social fabric in our community and to investing in infrastructure. That is in stark contrast to what the mob opposite was doing when it was last in government: closing 12 country hospitals and a number of metropolitan hospitals and sacking thousands of nurses. We have been putting 4000 to 5000 additional nurses into the system.

This budget is about investing in our community safety program, employing over 1000 extra police and rebuilding 133 police stations; and in this budget alone we are providing 12 additional mobile police stations. It is about investing in what is important to Victorians, which is what Victorians elected us to do.

It is about making sure the benefits of the economic growth in this community, which has been significant, and the decrease in the unemployment rate down to 5.5 per cent are shared across the whole of Victoria, rather than having just the city-centric view, as was the view of the Kennett government. It is about investing in regional infrastructure. If you look at where our hospital projects have been you will see they have been across the whole of the state; there is hardly a part of the state that has not had that additional investment. That is what this budget is about.

It is instructive to hear the sorts of words that come from members of the opposition in this budget debate. I listened to Mr Forwood's opening address when he talked about a 70 per cent increase in funding to hospitals but talked about only a 20 per cent increase in output. It demonstrated the absolute misunderstanding that the opposition has about health investment in this state. In fact that 70 per cent increase is about capital investment. It is about putting back into our health system what they ripped out when they were in government. They left the health system that was having to sell the silver to keep operational. So it is about investing in that capital.

Mr Forwood has not taken into account that it is also about quality, that it was about making sure our hospitals were clean and were putting additional money into their cleanliness because everything had fallen so far behind. It was about putting additional nurses into our hospitals because the quality of service was falling behind. It was about building the confidence of our

health system, about building into the people working in the health system a confidence to actually deliver the quality of service that the people of Victoria have a right to expect.

That demonstrates that if the lot opposite ever got back into government, they would go down the same path of allowing the capital infrastructure to fall apart and would try to privatise our hospitals, as they did in Mildura. Other examples include the failed project in the Latrobe Valley and the attempt to sell off the Austin Hospital.

The sort of investment that we have put into our health system has been about reversing all of what the former Kennett government did. Of course there has been an increase in expenditure in our health system because it desperately needed it as they had underfunded the system; they made sure the hospital systems were falling apart because they did not see that as a fundamental objective of government. That is in stark contrast to what we have done.

In this budget we have been able to put in an additional \$1 billion in funding for the health system. We have put in \$110 million to rebuild the emergency departments in hospitals and \$578 million to increase recurrent funding and expand hospital services. This budget is about meeting the needs of an additional 40 000 patients a year.

In community safety the opposition, when in government, ripped 1000 coppers out of the system. We have had to put them back in, but we have also invested in rebuilding police stations around the state. Only recently I went with the Minister for Police and Emergency Services in the other place to the announcement of plans to rebuild the Cranbourne police station, but in this budget there are plans for a new police station in Springvale, which is also in my electorate. We also have plans in this budget for additional mobile police stations.

In the area of transport, in this budget we have put in an additional \$660 million in capital funding for the metropolitan transport plan, public transport upgrades and country road and rail investment; and \$110 million to improve road safety at high-risk intersections. We have also put in an additional \$35 million over four years to provide a 25 per cent discount on licence costs to motorists who incur no demerit points.

These are the kinds of things we have been putting in place to make Victoria a safer place, to make Victoria's health system better, and to provide additional and quality educational services in our schools. As I said at

the outset, they are such things as seeing the significant improvement in year 12 retention rates and a substantial drop in the size of P-1 class sizes.

But when you crunch all that down into local areas it means that hundreds of schools across this state have been significantly rebuilt or improved. In this budget there is \$280 million for school construction projects, including \$145 million for modernisation projects at over 50 schools, and \$94 million for the construction of 16 new schools. My electorate has projects such as \$2.5 million for the second stage of works at Mahogany Rise Primary School; \$2.2 million for additional work at Cranbourne Secondary College; the replacement of classrooms at Naranga special school in Frankston, and \$3.27 million for the Patterson River Secondary College project.

This is a government that has been about investing in the social fabric of our community and in infrastructure. This is a necessary and fundamental role of government, but such investment became doubly necessary because of the negligence of the Liberals and the National Party who took the white cars of office, who allowed our schools to run down, who allowed class sizes to go up, who allowed the quality of our health services to fall apart and who saw a complete demoralisation of the health system in Victoria.

We also saw during the time that the former government was in office a collapse in police confidence to the point where I think the first police strike since the 1920s happened in Frankston during an election campaign because police were so demoralised about police numbers in Victoria. This contrasts not only with what the Kennett government did in office, but with the Howard government's budget two weeks ago. In that budget, after all the talk about infrastructure and investing in Australia there was not a dollar, not a thing.

What we know from the economic vandals on the other side of the house is that they planned to try to buy a few seats in the eastern suburbs with a massive payout on the EastLink project. How will that be paid for? How can that multibillion dollar payout be paid for? The only way is for the opposition to do more of what it did before — cut teachers, cut police, close hospitals, reduce services across the state and also reduce the level of investment that needs to occur in the social fabric of the community. This budget ought to be solidly supported by this Parliament because it is a continuation of what we were elected to do — to deliver to the fundamental areas of the social fabric of our community in police, in health, in education, in

roads and in community safety. I commend the budget to the house.

Hon. A. P. OLEXANDER (Silvan) — What a very interesting presentation we have just seen and heard from Mr Viney. This budget can be summed up in three words: taxes, spending and failure. We have record levels of taxes, charges, fees and fines in the state of Victoria. They have never been that high before. They are so high in fact that in some of those taxes being levelled by this government they are driving businesses to the wall. Small and medium-sized businesses are having to sell up and realise their assets.

Mr Lenders interjected.

Hon. A. P. OLEXANDER — I say to the minister that I am talking about land taxes, which is something that he should be very familiar with. Unfortunately this government has hiked them up to such a level that it is beyond the capacity of the people who have to pay them to do it. This government is taxing Victorians at dangerously high levels — dramatically destructive levels — and forcing people out of business and out of jobs. It is taxing like no Victorian government has ever taxed before — and it is all in the budget. The amount of fees, fines and charges which are fuelling this budget have increased more than in any period of Victoria's history. There is more than a 400 per cent increase in speeding fines and charges since the term of the last government. These charges have become a revenue raiser just like 500 other fees, fines and charges that are being levied by this government. There are probably more than 500 other fees, fines and charges that have been hiked up by this government.

But the greatest indictment of the government's taxing record is that it does not even know what they all are because it has just passed blanket legislation which automatically indexes and raises every year over 500 of these fees, fines and charges across every level of government. The charges include fishing licences, and the list just goes on and on. In fact the list does not exist because the government has put those things up every year, but it is not prepared to even do an audit of its own departments to find out how much it is gaining and recouping out of those fees, fines and charges right across government.

It is ripping money out of the pockets of Victorians like no government has ever done before. That is taxing. That is what this government is doing to Victorians on the tax side of the budget. There can be absolutely no argument with that. It has been demonstrated clearly. This is the highest taxing government that this state has ever seen in its history. It spends a lot of money. It is

very, very good at spending, not so good at managing but good at signing the cheques. In the last year of the Kennett government I think the total budget expenditure was about \$19 billion — —

Hon. E. G. Stoney interjected.

Hon. A. P. OLEXANDER — I thank Mr Stoney for confirming that. It was about \$19 billion. The total spend under this government is around \$30 billion. It has increased incredibly the level of expenditure in this state and it is pump priming economically like it never did before. In fact the Cain and Kirner governments are babes in the woods compared to the way this government has hiked up fees and charges and way that it is spending as though it is going out of fashion — they are babes in the woods! There was \$19 billion under the last year of the Kennett government, and \$30 billion-odd this year in just the sixth Bracks government budget. The government has failed to deliver actual outcomes. Despite the taxing and despite the spending it has failed to deliver the outcomes that Victorians need and want. The key outcomes in education are not there. Nor are the key outcomes in the health system. Are hospital waiting lists lower than they were under the Kennett government? No, they are higher. Are trolley waits of over 12 hours in emergency departments lower than they were? No, they are higher. Are ambulance bypass rates lower? Despite the taxing and despite the spending at record levels these outcomes that people care about are worse. They are worse.

For our \$19 million spend as opposed to this government's \$30 billion the former government got better value and managed that money a lot better than this government is doing. The Bracks government is not getting the outcomes for Victorians. Are housing waiting lists lower than they were under the 'slashing and burning and privatising Kennett government'? No, they are higher than they were. Our \$19 billion put more people into homes than this government's \$30 billion. Why is that? Because there is a fundamental problem with Labor governments. They know how to tax, they know how to spend, they know how to fail, but they cannot deliver and manage for Victorians and it is so manifestly obvious. The key statistics of this budget make it very true.

Here is a small trip down memory lane for the Leader of the Government who seems very vocal in this debate. In 1992 when the Kennett government came to office for the first time it inherited a \$32 billion debt from the Cain and Kirner governments. That was more than the government is spending in its total budget for this whole financial year. What did we have to do? We

have been criticised up hill and down dale in this chamber tonight for being the evil Kennett people who privatised, who cut, who rationalised and who closed. Do you know where the responsibility for that can go, Mr Lenders? Right at the feet of you people —

The ACTING PRESIDENT (Hon. H. E. Buckingham) — Order! The member will address his comments through the Chair.

Hon. A. P. OLEXANDER — They are the people who decided that we had to have a \$32 billion deficit when we came into government. Victoria was on its knees, and they have the gall to come into this place and criticise the Kennett government for privatising, for rationalising, for cleaning up its debts and for paying them off. It was more than the government is spending in this whole financial year, and we had to fix it. Labor members are the heirs of the Guilty Party, and they make the Guilty Party look like babes in the woods. The way the current government is getting the money out of the pockets of Victorians and the way it is spending it would put the Guilty Party to shame. Somebody had to come into this state and make the tough decisions to pay off that \$32 billion debt.

Here is a small history lesson for members opposite: they should not come in here and lecture us about closures, rationalisation and privatisation, because they are responsible. They are responsible for all that happened in the period of the Kennett government because Victorians understood that Labor could not manage the economy, could not manage the state, could not manage the hospital system, could not manage the housing sector, could not manage the public transport system and could not manage Victoria.

Victorians put us in government in 1992 to clean up Labor's mess — the \$32 billion black hole that was left for each and every Victorian to pay off. Today Labor members should be ashamed to trot in here and use those well-worn lines about privatised, closed and rationalised. They should be ashamed of that argument, because all of that was necessary to get Victoria back on its feet. The state was an economic basket case when we took over. We became the AAA-rated state because of the decisions we had to take. They were tough decisions, but we took them because they were in the interests of Victorians. Victorians understood that Labor could not do it and could not manage. Victorians look at the sixth Bracks government budget and understand that the Bracks government is the same. It cannot manage Victoria either. It cannot get adequate infrastructure put down for the public transport system. They understand now that it is not coming through. They understand that it cannot fix the public hospital

system, it cannot fix the housing waiting lists, it cannot fix community safety. The government cannot fix a range of areas that governments are relied upon to fix.

Another thing that is obvious in this budget is that it cannot keep promises. In budget no. 6 so many promises have completely fallen off the agenda, they are on the never-ever list. I want to make a few points about the disappointments in this budget. In the time remaining I can only really cover one of the areas — that is, public transport infrastructure. This is the first budget in which any money at all has been allocated for bus services in the Yarra Ranges area.

The government said in the budget it was allocating \$44.6 million for bus services in 12 specific regions around Victoria, and 2 of those 12 happen to be in the Yarra Ranges. So people in the Yarra Ranges — the councils and the people in the Public Transport Users Association — awaited this budget with great anticipation. You do not have to be a rocket scientist to do the math and work out that with \$44.6 million over the next four years the Yarra Ranges is going to get about \$7.5 million. We said, 'Wonderful! We have not seen anything for the last six years for these bus improvements, but we desperately need it and will welcome that \$7.5 million'.

Do you know what we got? We got \$1.6 million. Is it enough? Probably five or six bus routes got one or two extra trips of a Friday afternoon. A couple of them got one or two extra trips of a Saturday afternoon. There were no new bus routes at all, and they are desperately needed. There were no improvements to Sunday services — no Sunday services at all — and nothing on Friday or Saturday nights for young people. The money has gone.

We have 2 of the 12 regions to which the \$44.6 million is going and by my reckoning we should have got about \$7.5 million dollars. We got \$1.6 million, and we think that is an overestimate. We think it is probably more like \$1 million for those minor service improvements, those crumbs. It is a huge disappointment for the people of the Yarra Ranges, who, after six years of having these services ignored, could have expected a little bit more. When they saw the figures in the budget they thought 'Well here it is; here is the payload; here is the dividend. We have waited and waited and waited'. Unfortunately it did not come through. We got a lot of spin. We got \$1.6 million, or maybe more like \$1 million, over four years. It is not good enough. It does not go anywhere near addressing —

Hon. E. G. Stoney — On a point of order, President, I do not see a minister in the house.

Mr Lenders interjected.

Hon. E. G. Stoney — I believe the minister was outside the vision of the Acting President.

The ACTING PRESIDENT (Hon. H. E. Buckingham) — Order! The member should continue.

Hon. A. P. OLEXANDER — Thank you, Acting President. I would wear it as a badge of honour that the Leader of the Government would flee the chamber while I was giving my budget address. He should flee, because he is the leader of the government that is the direct heir of the Guilty Party that drove Victoria into the ground, and he is well on his way to doing the same thing.

The third railway line that was promised by Labor to the people of the east on the Ringwood, Belgrave and Lilydale lines, the third flyer track — —

Mr Pullen — You don't even know where they are!

Hon. A. P. OLEXANDER — I know exactly where they are, and they are not being built. I can assure you — —

The ACTING PRESIDENT (Hon. H. E. Buckingham) — Order! The member should address his remarks through the Chair.

Hon. A. P. OLEXANDER — It was to be the third flyer track from Ringwood to Box Hill so that we could have flyer express trains to serve the Belgrave and Lilydale lines. That was promised first in 1999, it was promised again in 2002 and we are now in our sixth budget and not a cent has been allocated even for a feasibility study or a plan. Not a cent has been spent, because the money has actually gone somewhere else. It has gone to all of those regional fast rail projects, as the government calls them, which are absolute disasters. They are failures, because they are not fast rail at all. They are causing enormous disruption at massive cost, and they are not delivering the results.

As I said before, it is a case of Labor tax, Labor spend but Labor fail. This is what Labor does. This is what it has done in the past, and this is what it is doing now. In 1999, before Labor got into government, the people of Epping and South Morang were promised a rail line extension from Epping to South Morang. After Labor got into government the promise was reiterated. Ms Mikakos knows exactly what I am talking about, because she has remained completely silent on the Epping–South Morang issue in her local community. I do not wonder why, because she knows, as we all

know, that the government never had an intention of fulfilling that important — —

The ACTING PRESIDENT (Hon. H. E. Buckingham) — Order! The honourable member's time has ceased.

Hon. S. M. NGUYEN (Melbourne West) — I am delighted to make my contribution on the 2005–06 Victorian budget. I know the opposition is very negative about this budget. It is trying to bring down the confidence of Victorians. The opposition is trying to mislead the house about the government's attempt to improve the living standards of all who live in this state. The budget is clear and can be described in three words: opportunity, prosperity and fairness.

On prosperity, the budget improves business, and makes it easier to do business. For example, the government's land tax policy to help 20 000 businesses provides a partially funded \$72 million rebate scheme. That is a positive land tax reduction. On opportunity, we want to build a strong economy and develop employment growth so that people will come to Victoria to live. There is an opportunity for everyone to move to this state. We have had population growth in the last 40 years, and more people are arriving in and migrating to Victoria. On fairness, we want to see people having more opportunity to learn. We want people such as unskilled workers and the unemployed to get more training to develop their skills. We want more apprenticeships, more training and more funding of training facilities. We want to assist people who want their children to receive a good education.

We also want to fix the problems left behind by the previous government in the areas of health, education and policing. They are the things we want to see this budget deliver, and there are many more that could be mentioned. In the area of health, for example, we want to employ extra — —

Business interrupted pursuant to sessional orders.

GAMBLING REGULATION (PUBLIC LOTTERY LICENCES) BILL

Introduction and first reading

Received from Assembly.

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

ADJOURNMENT

The PRESIDENT — Order! The question is:

That the house do now adjourn.

National Gallery of Victoria: funding

Hon. ANDREA COOTE (Monash) — I wish to congratulate the National Gallery of Victoria on its purchase at the Fosters collection arts sale, which took place last night at Sotheby's. I am pleased to see that the gallery has purchased *Melbourne* by Henry Gritten and *Princess Theatre and Burke and Wills* by Arthur Streeton.

Mr Lenders — On a point of order, President, the Deputy Leader of the Opposition is congratulating the National Gallery of Victoria, but I am wondering which minister she is seeking action from.

Hon. ANDREA COOTE — On the point of order, President, it is for the Minister for the Arts in the other place.

I am concerned that the National Gallery of Victoria is limited in its capacity to purchase pieces by the fact that the government is simply not giving it sufficient funding. As is highlighted in the NGV annual summary of 2003–04, steady patterns of revenue and expenditure have not yet been experienced, and it is clear that the NGV faces some considerable financial challenges in the forthcoming years. The substantial funds it raises come largely from the private sector and are not generally available for operating purposes but are committed to the purchase of works of art or capital works. The basis of the NGV's private funding is the Felton bequest, and that probably sets the benchmark for funding in this state. A considerable number of private donors and philanthropists give substantial amounts to the NGV, and I do not think the gallery could operate without them.

The Public Accounts and Estimates Committee report in the 2003–04 budget outcomes states:

The National Gallery of Victoria incurred an operating deficit of \$8.8 million in 2003–04 before taking into account fund raising revenue.

In the 2005–06 budget the National Gallery of Victoria will receive only \$1.1 million for operating support. It is interesting to note from the Sotheby's catalogue that we did not get a number of pieces — for example, *Cumberland Creek* by Eugène Von Guerard painted in 1865; *In the Grampians* by Arthur Boyd painted in 1956–57; *Beach Scene at Cowes, Phillip Island* by Walter Withers; *Yarra River from Kensington Road*,

South Yarra by Frederick McCubbin; and an *Evening in the Bush* by Frederick McCubbin. It is a shame to continually see the government treat the arts and its funding in such a haphazard way. For how much longer does the government believe it can sustain an operating system whereby it can rely heavily on year-to-year donations from the public, and when will the government increase funding for the National Gallery of Victoria in order to give its buying of pieces stability for the future?

Sandringham Bowls Club: funding

Mr PULLEN (Higinbotham) — My adjournment matter this evening is for the Minister for Sport and Recreation and concerns funding for the installation of floodlighting for the Sandringham Bowls Club in my electorate. I am aware the club has lodged an application for financial assistance from the Sport and Recreation Victoria community facility funding program. I visited the club on a Monday morning. On every Monday some 20 people are there as a working bee — cleaning, gardening, painting et cetera around the club. The club has 127 members and is keen to attract new members, particularly from working people and students unable to play bowls during the day. It is currently necessary for the club to play all its night competition fixtures away from Sandringham because it does not have lighting for its greens. That affects the club financially and socially. I congratulate Royal Victorian Bowls Association committee president Ian Felsenthal and his committee for their outstanding contribution to the Sandringham community, and urge that their application receives favourable consideration.

Water: Campaspe irrigators

Hon. W. A. LOVELL (North Eastern) — My adjournment debate issue is for the attention of the Minister for Water in the other place and is in regard to the drought-stricken farmers on the Campaspe irrigation system. As the minister is well aware, the Campaspe irrigators received only 39 per cent of their water this year and Goulburn Murray Water held back a further 5 per cent of available water for the delivery of stock and domestic water next year. This is the first time in history that available water has been withheld. The drought is still impacting hard on my electorate but the Campaspe area seems to be suffering more than most. Farmers in this region are visibly distressed, and we regularly have meetings where both women and men break down and cry.

The minister witnessed some of this distress at a meeting with a handful of irrigators last Friday. The irrigators present at the meeting were open and honest

with the minister, and it was obvious that their story had an impact on him. I sit through these meetings regularly and it is always a moving moment when families tell you they are being forced to survive on food parcels; that their children are often being sent to school without breakfast or lunch; that they have had to tell the older children that they can no longer afford to keep them at school or university; or that they are being forced to operate without electricity or telephone services because they simply cannot pay the bills. Farmers are also concerned about the debts they are incurring with local businesses.

Many small businesses are extending credit terms for farmers because they cannot bring themselves to withdraw supply or services. This is putting additional stress on the community as these small businesses in turn are finding it extremely difficult to meet their financial obligations. But even in these desperate times there is one business that has put out its hand and demanded to be paid, and even worse, this business has demanded to be paid for a product that it has not and cannot deliver. That business is the government's own water authority, Goulburn Murray Water, that is demanding to be paid for 100 per cent of users' water rights, even though it has only delivered 39 per cent.

The irrigators told the minister on Friday that the exceptional circumstances payments that the federal government provides to assist to put food on the table for families are actually being used to pay Goulburn Murray Water for the water the irrigators have not received. While the federal government is trying to put food on the table for farming families, and local small business operators are delivering services with extended credit terms because they know farmers cannot afford to pay for them, the Bracks government, through Goulburn Murray Water, is putting its hand out to be paid for a product it has not delivered, which, in my opinion, is simply unfair. Last week the Carr government announced that it would waive fixed water charges for drought-affected farmers in New South Wales. I ask the Minister for Water to match this commitment from the Carr government by using his powers to waive the charge for the 61 per cent of undelivered water for the Campaspe irrigators in the 2004–05 irrigation season, and to ensure that Goulburn Murray Water is compensated for this loss of revenue from the consolidated fund.

Energy: consumer assistance

Hon. KAYE DARVENIZA (Melbourne West) — I wish to raise a matter for the attention of the Minister for Energy Industries and Resources. The matter concerns the need for policies and programs to assist

and protect consumers who are financially disadvantaged and who are finding it difficult to pay their energy bills. Energy is an essential service that the whole community relies on. It is a commodity that attracts a cost that some people, particularly those on low incomes, find it very hard to meet. In my electorate of Melbourne West, which is a growth corridor and one of the fastest growing areas in Melbourne, we have many young families who work hard to make ends meet. We also have many low-income earners, along with single-parent families and people on disability support pensions, aged pensions, unemployment benefits and other types of social security. It is constituents such as these who can have difficulties in paying their energy bills and who may need assistance.

Essential services, such as gas and electricity, are so important to our daily lives, one that we often take for granted until there is a risk that it will no longer be available. We need it to cook our food on stoves, in ovens and microwaves, to store food in our refrigerators and freezers and, of course, to heat our homes in the cooler weather. While winter has been slow in coming this year with a particularly warm autumn, it has been cold enough over the last week or so to turn on our heaters. The specific query I have is what action are the minister and his department taking to reform the energy sector to ensure that the disadvantaged and low-income consumers are protected and that real benefits are delivered to Victorian families, particularly the disadvantaged and those who are experiencing consumer hardship? This is a particularly important issue given that winter is just around the corner.

Rose Street, Alexandra: traffic lights

Hon. E. G. STONEY (Central Highlands) — I raise an issue for the Minister for Transport in the other place. I have a letter from John Birtchnell, a concerned citizen and road safety campaigner who lives at Alexandra. Mr Birtchnell draws attention to signage and lights which he says have been incorrectly installed by VicRoads near the Alexandra Secondary College. His letter states:

The flashing 40 kilometre lights serving the Alexandra Secondary College, at the Rose Street intersection, were installed on the wrong side of the Rose Street intersection, which means students cross at a 60 kilometre zone to access the only UT Creek bridge to come and go to the northern part of the town. Observing guidelines is the excuse for this, and the cost of moving them cannot be justified. I have told VicRoads if a fatality occurs I will be at the door of the Coroners Court with a good deal to say. Months have passed without any consultation.

I congratulate Mr Birtchnell for his long years of promoting road safety in the Alexandra district, and

indeed throughout Victoria, and ask the minister to have the lights reinstalled in the correct and safe position.

Child care: funding

Hon. S. M. NGUYEN (Melbourne West) — I raise a matter for the Minister for Children in the other place and ask her to take action to make it easier for working parents to access important early years services in my community. The demands on modern families are great. Balancing work and family commitments is a constant battle for many families. Access to services, such as child care — which is funded, or underfunded by the commonwealth — along with the suite of early services funded by the state government, such as maternal and child health and kindergarten programs, is absolutely critical for new mums to get back into the work force and for the long-term health and development of children.

In Victoria the Bracks government has been steadily rebuilding our early-years services after years of neglect by the previous Liberal government. A high-quality kindergarten program improves the literacy and numeracy of children. It improves children's school readiness and their life chances. Kindergartens suffered under the Kennett government, with more than \$11 million being ripped out of them. Our investment has more than made up for this. I am thrilled to see in this year's budget extra funding for low-income families to send their children to kindergarten and more incentives for child-care providers to operate kindergarten programs.

I believe there needs to be more integration between all early-years services. All professionals working in the sector, whether they be maternal and child health nurses, kindergarten teachers, child-care workers or medical professionals, need to work more closely to focus better on early childhood development and the needs of families. I commend the Minister for Children for working to break down the artificial and historical divides. The new children's centres being funded across the state are a great example of service co-location and integration. Parents in my electorate do not care if the kinder program is run out of a child-care centre, they just want to know that they can get a service that is affordable, and one that their child will benefit from.

The lack of child care is a real issue for many families throughout the west. At a time when we have a national debate raging about skills shortages around the nation, it is difficult to comprehend that the Howard government still will not address child care as a major barrier to greater work force participation by women. It

was not addressed in the federal budget. There was no new money for long day care and no increase in the child-care benefit, so the Victorian government is doing its bit to help families. I ask the minister to take further action to ensure that Victoria's early-years services remain accessible and affordable for families in the western suburbs.

Kew Residential Services: site development

Hon. RICHARD DALLA-RIVA (East Yarra) — My query is for the Minister for Community Services in the other place. The Kew Cottages Parents Association (KCPA) and the residents within Kew Residential Services are concerned about the government's delay in announcing the developer and releasing the plans for the development of the KRS site. As we are aware, the announcement was anticipated as far back as October last year, with the last formal advice to the KCPA from the KRS management suggesting that the plans would be released for viewing in early January of this year. As I understand it, the most recent government advice received by the local council suggested that the plans would be released to the council in March 2005. However, as we speak, in May 2005 nothing has been received. Instead the continuing postponement of the announcement of the developer and the release of the development plan is creating uncertainty and stress among and causing a deterioration in the lives and wellbeing of the residents at the KRS. As one would expect, the residents are experiencing high levels of casual staff. Because there is no certainty of tenure, there is a loss of familiarity with staff as residents move into off-site houses or staff move to more permanent, long-term employment. The ongoing closure of the on-site services has resulted in a breakdown in the continuity and quality of the residents' lives.

Whilst there are currently issues regarding a process of real consultation and the significant improvement needed in the interim conditions on the site, I must stress that the government should disclose to the families the real time frame for the development. That is important to give residents and their families certainty that the delivery of the commitments made as part of the redevelopment — that is, the improved housing, higher staff ratios and the quality day programs — will not be delayed. I therefore pose my query and ask what action the minister will take to advise the KCPA and the residents of the KRS of the current status regarding the development plans of the KRS site.

Drought: government assistance

Hon. B. W. BISHOP (North Western) — I direct my adjournment issue to the Premier. In doing so might I congratulate the Prime Minister for visiting our region to see at first hand the huge difficulties ongoing dry seasons are having on our farmers and consequently on the wide range of service industries that make up our country communities. No doubt Mr Howard's look at the drought conditions will have painted a dramatic picture for him, a picture that should be at the forefront of his mind when he sits at the cabinet table to work through what can be done to ease the severe damage of drought. However, drought-affected areas should not be regarded as just a federal issue. Drought affects the fortunes of all of us. I request that the Premier visit our drought-affected areas to see for himself the suffering of our farmers, of their communities and of their service industries, and put together a plan to best help them cope until it rains.

I will give some detail on the issue. The Victorian drought scene is well known following eight or nine years of generally low rainfall and mostly low prices. In the year 2002–03 there was low rainfall, but those farmers who could rake together some grain found that prices were reasonable. In 2003–04, when indifferent rainfall was again experienced, there was severe frost damage across a wide range of the Victorian grain belt. Last season, 2004–05, very low rainfall coupled with low prices resulted in a disastrous year for most farmers. As a result our farmers are in a precarious position where the poor years have eroded farm financial resources to the stage where many are struggling to finance the cost of this year's crop.

The question of what the state of Victoria can do to help remains. It has made funds available for community projects, but it has not been prepared to go any further at this stage. It should address positive moves as the dry weather continues and the optimum sowing times in most of our grain belt slip away. I suggest that the state needs to reinstate the cash grants that were in place following the 2002–03 drought as these really hit the spot and went directly into farmers' cropping programs, assisting them to get the next crop into the ground.

Another suggestion would be that the government ensure that our rural financial counsellors are well resourced and have a capacity to meet the extra demands on their services. This could include, for example, linking up with health experts and other financial counsellors to keep up with the workload. Another initiative the government could put into place is to facilitate case studies of those farmers who fall

outside the exceptional circumstances boundaries, but who both deserve and need assistance. I think the Department of Primary Industries agronomists have a real part to play in this issue as they can give some really good advice to our farmers as again that optimum sowing time — —

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

Buses: East Preston and East Reservoir services

Hon. A. P. OLEXANDER (Silvan) — I seek the assistance this evening of the Minister for Transport in the other place concerning bus services in East Preston and East Reservoir. These two suburbs missed out in the state budget on a Sunday bus trial. It is a trial that has been called for by the Darebin City Council which has led a very effective joint campaign for a \$1 million, 18-month trial of Sunday services running to Northland through East Preston and East Reservoir. The executive director of the Bus Association of Victoria, Mr John Stanley, has said that he believed the \$44.6 million for buses in the budget would largely go to other suburbs and that these two suburbs would miss out. He believes Preston and East Reservoir will not get any of it, and so people in those areas need to continue their lobbying campaign to get the Sunday and late night services in place in the lead-up to the next state election.

The bus companies in the local area are also not hopeful of getting any of this funding — and I am talking about Dysons and other companies in a consortium that wants to run these services but requires seed funding of \$1 million to do it. The community wants it and the local council wants it. There is a demonstrated need for these services, and the East Preston and East Reservoir people deserve it. I ask the minister: from the funds available in the \$45 million designated for new bus services will he ensure that the people of East Preston and East Reservoir get their trial Sunday services running to Northland within the next 12 months? If it is not possible for them to be granted money from that fund, I ask the minister to ensure that the next state budget guarantee that capital funding for those bus services.

Schools: service officers

Ms HADDEN (Ballarat) — I wish to raise a matter for the attention of the Minister for Education and Training in the other place, the Honourable Lynne Kosky. The matter concerns the apparent lack of funding for salaries of the new school service officer (SSO) agreement in the recent May budget. My request is for the minister to specifically fund the school budget

so that the SSOs whose positions have been reclassified can receive the pay to which they are entitled under the new school service officer agreements.

One of my constituents is a typical example of an underpaid SSO. She has worked in school libraries for 20 years and her pay is comparable to that of an unskilled clerk just out of school. She studied for six years on a part-time basis to complete a library technician qualification. Three years ago she was appointed library coordinator at a local secondary college. Despite this, the only additional remuneration she received was a small allowance similar to what was paid to the teacher librarian she replaced. Under the old structure she was classified as an SSO1, range 5. However she has not received 1 cent of the increased amounts under the new agreement that were supposed to have been paid on 12 November last year and on 1 March this year. Under the new structure and given her qualifications, skills and experience, she should qualify for at least the equivalent of an SSO2, range 3, perhaps even an SSO2, range 4.

There are no terms under the new agreement for schools to receive additional funding that would meet these kinds of substantial pay increases. It would appear they would have to be paid for out of the current global budgets of each school. It is estimated there are over 17 000 school service officers in the system, 13 000 of whom are on the central payroll, the rest being paid from local school budgets. Most secondary schools in my electorate employ a considerable number of SSOs as office and library staff, laboratory assistants and integration aids. There is a six-month period in which it is possible for all SSOs to negotiate with principals to have their work revalued and reclassified.

So far the department has refused to include in the agreement any extra centralised funding to pay for these rises so they will have to be paid for out of local school budgets. This only adds pressure on principals to refuse to recognise the skills of the SSOs. It also places SSOs in a difficult position because they have to negotiate individually with the principals. Where schools are unable to pay the increases, they will have to withdraw responsibilities from the officers concerned, which would result in a grave injustice across the secondary school system in my rural and regional electorate, especially to the school service officers. I ask the minister to give this matter her urgent attention.

Responses

Mr LENDERS (Minister for Finance) — The first adjournment matter came from the Deputy Leader of

the Opposition who sought more funds for the National Gallery of Victoria. I could not let it pass that the three previous opposition speakers in their contributions to debate on the budget papers all said we were spending too much in the budget. Mr Vogels said we were spending tens of millions of dollars in Melbourne, but Mrs Coote said we spent a paltry \$1.1 million. But having said that, I will certainly pass her item on to the Minister for the Arts.

Mr Pullen raised an issue with the Minister for Sport and Recreation regarding floodlights for the Sandringham Bowls Club. Mr Pullen referred to the volunteers that were there every day. I am very confident that Mr Pullen, being the sort of man he is, is probably there with the volunteers with his sleeves rolled up, but I will certainly pass his point on to the minister.

Ms Lovell raised an issue for the Minister for Water in the other place regarding the Campaspe irrigation issue. I will certainly pass that on to the minister.

Ms Darveniza raised an issue for the Minister for Energy Industries and Resources regarding programs to assist disadvantaged consumers with utility bills, especially in the western suburbs of Melbourne. I will pass her item on to the minister.

The Minister for Transport received two adjournment matters, one from Mr Stoney regarding VicRoads signage at Alexandra, and I will certainly pass that on to him, and one from Mr Olexander regarding further funding for Sunday buses. Again, President, I cannot help but comment that we just received a lecture from Mr Olexander about how we were spending too much money in the budget. I will pass this very worthy cause on to the minister.

Hon. A. P. Olexander — On a point of order, President, throughout tonight's responses to adjournment matters, where the minister is entitled under standing orders to respond to matters by passing them to the relevant minister, he has sought to debate issues and cast value judgments.

The PRESIDENT — Order! With respect to the adjournment, ministers are entitled to deal with the adjournment as they see fit. Rule 4.07 states:

Any reply by a minister to a matter raised on the motion for adjournment should be as brief as possible.

He has made them extremely brief, and the minister is entitled — —

Hon. W. A. Lovell interjected.

The PRESIDENT — Order! While I am on my feet I do not need any interjections from my left, thank you. The minister is entitled to make a comment in his response to the matters raised by the member. I do not uphold the point of order.

Mr LENDERS — I will pass on Mr Olexander's request for Sunday bus funding to the Minister for Transport, but I would ask him to reflect upon his adjournment question and how it relates to the budget speech he made earlier this evening.

The Minister for Children in the other place received an adjournment matter from Mr Nguyen regarding services for working parents. I will certainly pass that on to the minister.

The Minister for Community Services in the other place received an adjournment matter from Mr Dalla-Riva regarding Kew Residential Services where Mr Dalla-Riva is seeking certainty for the people there, and again I will pass that on to the minister.

Mr Bishop raised an issue for the Premier regarding the drought and an invitation for a visit. I will certainly pass that on to the Premier.

The Minister for Education and Training in the other place received a request from Ms Hadden regarding school service officer issues, and I will certainly pass that on to the minister.

House adjourned 10.29 p.m.

