

PROOF

PARLIAMENT OF VICTORIA

LEGISLATIVE COUNCIL

DAILY HANSARD

Friday, 25 May 2018

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(from 16 October 2017)

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Melhem, Mr Cesar	Western Metropolitan	ALP	Wooldridge, Ms Mary Louise Newling	Eastern Metropolitan	LP
			Young, Mr Daniel	Northern Victoria	SFFP

¹ Resigned 28 September 2017

² Appointed 15 April 2015

³ DLP until 26 June 2017

⁴ Resigned 27 May 2016

⁵ Appointed 7 June 2017

⁶ Resigned 6 April 2017

⁷ Resigned 9 February 2018

⁸ Resigned 25 February 2015

⁹ Appointed 12 October 2016

¹⁰ ASP until 16 January 2018

¹¹ Appointed 18 October 2017

¹² Appointed 21 February 2018

PARTY ABBREVIATIONS

AC — Australian Conservatives; ALP — Labor Party; ASP — Australian Sex Party;
DLP — Democratic Labour Party; Greens — Australian Greens;
LP — Liberal Party; Nats — The Nationals; RV — Reason Victoria
SFFP — Shooters, Fishers and Farmers Party; VILJ — Vote 1 Local Jobs

CONTENTS

FRIDAY, 25 MAY 2018

NOTICES OF MOTION	1
BUSINESS OF THE HOUSE	
<i>Adjournment</i>	1
LABOUR HIRE LICENSING BILL 2017	
<i>Second reading</i>	1, 35, 49
<i>Committee</i>	56
QUESTIONS WITHOUT NOTICE	
<i>Snobs Creek logging</i>	24, 25
<i>West Gate tunnel project</i>	26
<i>Dja Dja Wurrung parks</i>	26, 27
<i>Residential care facilities</i>	27, 28
<i>Lara prison expansion</i>	28, 29
<i>Service Victoria</i>	29
<i>GOTAFE</i>	29, 30
<i>TAFE funding</i>	30, 31, 32
<i>Written responses</i>	33
QUESTIONS ON NOTICE	
<i>Answers</i>	32
CONSTITUENCY QUESTIONS	
<i>Eastern Metropolitan Region</i>	34
<i>Southern Metropolitan Region</i>	34, 35
<i>Western Metropolitan Region</i>	34
<i>Northern Metropolitan Region</i>	34
<i>South Eastern Metropolitan Region</i>	35
<i>Eastern Victoria Region</i>	35
<i>Western Victoria Region</i>	35
RULINGS BY THE CHAIR	
<i>Member conduct</i>	48
<i>Questions without notice</i>	55
ADJOURNMENT	
<i>Shepparton Mechanics Institute</i>	66
<i>Timber industry</i>	67
<i>Country Fire Authority Diggers Rest brigade</i>	67
<i>Monash City Council code of conduct</i>	68
<i>Responses</i>	69

09:30:00 **Friday, 25 May 2018**

The PRESIDENT (Hon. B. N. Atkinson) took the chair at 9.34 a.m. and read the prayer.

09:35:00 **NOTICES OF MOTION**

Notices of motion given.

BUSINESS OF THE HOUSE

Adjournment

Mr JENNINGS (Special Minister of State)
(09:37) — I move:

That the Council, at its rising, adjourn until 12.00 p.m. on Tuesday, 5 June 2018.

LABOUR HIRE LICENSING BILL 2017

Second reading

Debate resumed from 8 February; motion of Ms MIKAKOS (Minister for Families and Children).

Mr ONDARCHIE (Northern Metropolitan)
(09:38) — I rise this morning to talk to the Labour Hire Licensing Bill 2017, a bill that introduces a labour hire licensing scheme and a code of conduct to regulate labour hire operators. It requires all firms that provide labour hire services either in Victoria or for Victoria to be licensed.

There is no doubt that we need to protect labour hire workers from being underpaid and exploited by labour hire businesses and hosts. On this we all agree. But what we need is a strong and effective crackdown on shonky operators through more effective enforcement of existing regulations and targeted legislative change. The Labour Hire Licensing Bill 2017 is not it. This is an ill-considered, ideologically motivated bill which hurts more workers than it helps. It undermines key Victorian industries and destroys jobs and livelihoods. It does not tackle the organised criminal exploitation of workers but instead opens the way for blackmail and corruption by dodgy and self-serving union officials.

09:40:00 Let me go through the provisions of the bill one by one. First, the bill contains an extended definition of 'labour hire services'. In addition to labour hire in its purist sense, the bill includes the placing of workers employed by an employer where the provider also arranges accommodation, as well as the placing of independent contractors where the provider also manages that contract. The bill also contains prohibitions on offering

or using unlicensed labour hire services, with large civil penalties.

The bill proposes to establish a Labour Hire Licensing Authority consisting of a single commissioner appointed by the Governor in Council with inspectors and other staff. The bill requires extensive information to be provided in all licensing applications and a right for the licensing authority to request further information from applicants. The bill provides that the details of all applicants are made public and that any interested person specified in the bill is entitled to object. In terms of the actual licence, there are provisions that a licence is to be refused if the applicant is not a fit and proper person. A person is a fit and proper person unless they or a body corporate of which they are or were an officer had certain convictions, has had a labour hire licence cancelled or has been insolvent or disqualified under the Corporations Act 2001 within various time periods. Licences that are issued may be subject to any conditions determined by the authority. Licences are of three years and must then be renewed. The bill provides that fees to be specified by regulation are to be paid for applications. The government has indicated that these fee levels are to be determined following a regulatory impact statement process and are intended to achieve full cost recovery.

The bill requires that the specified information must be provided to the authority annually and also that licence-holders must notify of changes to any information previously provided to the authority within a 30-day time period. There are provisions the authority may vary licence conditions at any time by giving notice to the licence-holder. The bill provides for a register of licence-holders to be made publicly available as well as details of refused applications and cancelled licences.

There are provisions in this bill to give inspectors the rights to enter premises to obtain documents and other materials to ensure compliance with the legislation, and it will also empower inspectors to ensure compliance with all other employment-related laws that are specified in this bill. There will be a right for licence applicants or objectors to seek review by VCAT of any licence-related decisions by the authority. There will also be a right for the authority to pass on any information to any relevant regulator. Finally, there is a capacity for regulations to exempt from the definition of 'provides labour hire services' any class of provider, any types of services or any class of worker and also to deem when a worker does not work for a business or when a business is a host.

The bill claims to be a response to a genuine problem. The problem indeed is one that is genuine; it is one of labour exploitation where workers in some sectors have been ripped off and continue to be ripped off by some labour hire operators in various sectors. Let me give you an example: backpackers. We have all heard the stories. We have heard appalling accounts of international backpackers lured to places like Mildura on the promise of being well paid with plentiful work, having paid huge amounts of money for the privilege. But they arrive at their new place of work only to find that, one, there is no work; two, the accommodation that is being provided by the labour hire operator is disgracefully substandard; or three, the work has been available and the backpacker has worked sufficient time to qualify for an extended visa to stay in Australia but the labour hire operator will not sign the necessary paperwork. In this situation the backpacker is left powerless, struggling to get an extension to their visa with future plans in the balance.

These are not just hypothetical examples. There are real incidents of a serious problem in the horticultural sector. There is also evidence of a minority of labour hire operators abusing, exploiting and ripping off workers in other sectors. However, instead of addressing the issue with more effective enforcement of existing regulations and targeted legislative changes, the government is using this genuine problem as an excuse to achieve an ulterior and self-interested motive. There is no justification for those who deliberately exploit and defraud their workers. They need to be punished, and they need to be punished hard. They should face criminal sanctions as well as strong civil requirements to pay compensation.

09:45:00 In cases such as these what is needed first and foremost to stamp out shonky practices is a strong and vigorous enforcement of the existing law. Then, if experience or analysis shows that enforcement of the existing law is insufficient, there may be a need, there may be an opportunity, to strengthen the aspects of the existing law and introduce targeted legislative changes. However, the government is doing neither of those things with this bill. They are doing nothing to strengthen reinforcement of the existing law.

The bill goes way beyond anything needed to strengthen the existing law. In fact it goes way beyond the recommendations of the Victorian Inquiry into the Labour Hire Industry and Insecure Work. It was the government's own expert inquiry, generally referred to as the Forsyth inquiry — after Professor Forsyth who conducted it — which recommended a sector-specific licensing arrangement with capacity to expand or reduce the sectors it has covered. I refer to page 25 of

the Forsyth inquiry, and I quote from the report where it says:

The problem requires a regulatory solution which addresses each of these underlying causes: as the submissions of those advocating increased regulation demonstrate, there is a wide range of options available. In my view, a sector-specific licensing scheme for labour hire operators is the best of those options.

Recommendation 13 talks about advocating through the Council of Australian Governments (COAG) for a national approach and for a sector-specific labour hire licensing scheme. It talks about COAG, and recommendation 14 says:

I recommend that Victoria introduce a licensing scheme for labour hire agencies, that is initially targeted at those supplying labour in the following specific sectors: the horticultural industry (including the picking and packing of fresh fruit and vegetables), and the meat and cleaning industries. I also recommend that capacity be provided within the framework for the proposed Victorian labour hire licensing system, allowing it to be expanded to cover other industry sectors, or to be contracted in response to changing (improved) practices in the regulated industries.

These are the recommendations of the Forsyth inquiry, the preferred approach of the government's own expert inquiry, and it is well at odds with what is in the bill, which requires all firms that provide labour hire services in Victoria or for Victoria, regardless of industry sector, to be licensed.

What is also a little puzzling is the timing of this bill. The Forsyth inquiry was announced in September 2015, established a month later and reported in August 2016. However, this bill was not introduced to the Parliament until December 2017, 16 months after the inquiry reported — quite a long time indeed; enough time to have simply got on with enforcing the existing law against shonky operators. In fact that is what the commonwealth and state regulatory agencies have done, with considerable success.

Taskforce Cadena, which was established in July 2015, before the Forsyth inquiry, has been conducting operations targeting, amongst other things, the exploitation of foreign workers, particularly in the labour hire industry. It is a joint operation between the Department of Immigration and Border Protection, Australian customs and border protection services, and the Fair Work Ombudsman. It has proceeded with considerable success, and indeed has turned around the serious situations in places such as Mildura.

The Independent Contractors Australia association issued a bulletin to its members in which it summed up the current situation and the history, and I quote from it:

The bill is supposedly a (long overdue) response to the exposé by the ABC's *Four Corners* program on 4 May 2015 about the exploitation of migrant workers on some Australian farms. What *Four Corners* exposed was illegal migrants, working below legal pay rates and organised through some small, illegal 'labour hire' businesses.

It goes on to say:

The *Four Corners* exposé prompted immediate investigation of the farmers and labour hire companies by the Fair Work Ombudsman, federal police, immigration department and Centrelink — as it should. What resulted was the closure of several of the small labour hire companies as well as the farmers being forced into agreements and binding undertakings with the Fair Work Ombudsman. In other words, a big clean-up occurred.

Earlier in my contribution I referred to the ulterior motives and potential for abuse that are being created by this bill. The Independent Contractors Australia association bulletin encapsulates this perfectly, and again I quote:

The Victorian bill pretends to address the problem of such illegal worker exploitation by requiring labour hire businesses to be licensed through a new Victorian authority. But when the detail of the bill is examined, it doesn't address potential problems in the farming sector but instead regulates all labour hire. The farming issue is an excuse for far-reaching legislation to control an entire sector. This includes professional recruitment companies, the entire consultancy and IT sector and much more.

It's a reintroduction of industrial relations laws by stealth into Victoria that will deliver huge power to unions. Victorian Labor is paying off its paymasters, the unions.

09:50:00 The Independent Contractors Australia bulletin goes on to say:

Think of what the Victorian mafia-like construction unions will do when they can exercise control over who can run construction labour hire! Watch the dirty anti-worker deals that will be done!

I am sorry to say that this is not just speculation. There are a great number of people within the union movement who have well-established form on the abuse of power and ripping off workers.

Mr Ramsay interjected.

Mr ONDARCHIE — I pick up Mr Ramsay's interjection. We only need to look at the evidence on the findings of the Royal Commission into Trade Union Governance and Corruption. Let us take the case of Chiquita Mushrooms. Here we saw in particular with the Australian Workers Union that the conduct of Cesar Melhem and Bill Shorten was exposed in relation to Chiquita Mushrooms and others. It was evident that the number one interests of those union officials was to secure greater membership and greater revenue for their

unions. They were happy to sell out low-paid workers and to see them transferred into a labour hire operator, as long as it was a union-friendly labour hire operator. My understanding is that the labour hire firm involved with Chiquita Mushrooms was very, very close to the union. In that context this bill creates huge scope for enhancement of union power by illegitimate means. It creates an open-ended capacity for unions to object and to object in such a way that puts enormous pressure on the labour hire operators concerned, both in their initial applications for a licence and indeed when the licence is coming up for renewal.

So let us just think of a likely situation. A labour hire firm nearing the end of its three-year licence period is bidding for a big contract. The potential customer wants some certainty that the licence is going to be renewed in the contract period. The relevant union knows that and knows that a threat of putting in an objection can cause grief to that licence renewal and can do serious damage to the business of the labour hire firm concerned. The union can use this for all sorts of coercion, either in terms of delivering union membership or through direct payment into the slush funds of the union officials concerned. The potential for misuse of power by objectors is huge.

We have seen how this can happen from the trade union royal commission. Union officials such as Mr Melhem attached great importance to luring funds into slush funds that they then used to advance their own personal and political careers and the careers of their political allies. This bill claims to tackle the exploitation of workers by dodgy labour hire firms, but what in fact it does is give enormous power to various union officials — power they can use to exploit workers for their own advantage and the advantage of their unions. We have seen this before.

What is perhaps even more concerning about this bill is its potential impact on the wider Victorian economy. The scope of the bill threatens to do damage to the flexibility and competitiveness of the Victorian economy and therefore the ability to create jobs for Victorians. The government has completely failed to recognise the point that Professor Forsyth made repeatedly during the course of his report: that labour hire is an important component of the effective operation of the Victorian economy. On page 17 of his report, finding 2.3 states:

There are various legitimate and sound commercial reasons for Victorian businesses to utilise labour hire arrangements. Labour hire enables a flexible approach to the engagement of labour which assists businesses to deal with peaks and troughs in demand, without some of the constraints associated with engaging ongoing employees.

Labour hire is important for many competitive sectors in the Victorian economy exposed to international or interstate competition. These include of course the horticultural and meat industries, but also high-tech, high-skills sectors such as mining and information technology. Undermining the flexibilities of these sectors hampers their operations in Victoria, deters those businesses from operating and investing here, and encourages them to move interstate, or risks Victoria losing business and jobs overseas or interstate.

09:55:00 It also risks driving head office jobs out of Victoria because it regulates Victorian-based firms that may be supplying labour, for example, to the mining industries of Western Australia or the Northern Territory.

Let me now turn to the technical definitions encapsulated in the coverage of this bill. You will not be surprised to hear that we will have lots and lots of questions on that, and we look forward to prosecuting more of those questions in the committee stage of this legislation. The bill applies to providers — not just labour hire businesses but any type of business that supplies individual workers to a host. Similarly, the definition applies to a host where the worker performs work in and as part of a business or an undertaking of the host.

This in itself raises a huge range of questions about when work is in and part of the business of the host, or when it is simply an outside worker on the premises of the host. It is confusing. What if you have an in-house catering firm running the cafeteria for professional offices? Are they a part of the business or an undertaking of the host, or are they an independent business based on the same premises? It is confusing. What about in-house childcare services?

Other well-established practices are also likely to be caught by this bill. For example, the secondment of lawyers from law firms to their clients' offices is a very common practice. It can help the client and it can help the law firm with their workforce management when they have a quiet period. Does that law firm then turn into a labour hire firm? Do they need a licence? If that is the case, then this practice will stop that and that sort of flexibility will no longer be available in Victoria.

Here is another example: intragroup employment arrangements — it is very common in corporate groups for one subsidiary to be entirely responsible for the labour workforce and to make that workforce available to other corporate entities within the same group. It seems that example falls into the scope of the definition of the bill. There are so many questions here, President, and there is so little clarity. So let me ask this: is that

what the government intends to be doing here? Is the government planning to exempt all that by regulation? Businesses need clarification. They need their position clearly set out in the bill and not dependent on regulation.

I would now like to take a moment to look at the level of licence fees involved with this bill. The bill says that this is supposed to be full cost recovery. The government has given \$8.5 million to the set-up. There are estimates of about a thousand labour hire firms in Victoria; that would make the licence fee around \$8500 per firm. That is a significant financial burden on any business, and many of these are small businesses.

The red-tape burden under this bill is immense, both for initial applicants and in terms of the ongoing information requirements on licence-holders. In fact there is so much discretion given to the commissioner, both to require information and impose conditions on the licences and to vary those conditions at any time, that it makes businesses very dependent on administrative discretion and on an inappropriate delegation of power. These are such clear examples of bad legislation — every member of the house should recognise and accept that. Indeed they are set out in the legislation's principles for the Scrutiny of Acts and Regulations Committee to consider.

The right of any union to object or threaten to object, as mentioned earlier, is an open invitation to corruption, particularly when licences last only three years. You can see what could happen here. Moreover, in addition to that —

Mr Gepp interjected.

Mr ONDARCHIE — I will pick up that interjection. I will pick up the interjection by Mr Gepp — an angry man, a very angry man it seems, who stands up as part of the industrial left and protects the union movement when this bill and the examples I have used today show, and there is form, that this could be open to corruption. Talk to your mate Mr Melhem, Mr Gepp. Ask him what the Royal Commission into Trade Union Governance and Corruption found. You might have to change your tune on that.

Mr Gepp — I don't think so.

Mr ONDARCHIE — Of course you would not. We understand your conflict when you had to work for a former minister who had one view on the smashing of the Country Fire Authority when you had taken a different view.

When I talk about this open invitation to corruption, particularly when licences only last for three years, there is more in addition to those identified risks.

10:00:00 There is the failure of this bill to actually effectively fix the problem that it claims to be trying to address. Like any law enforcement, you have got to be able to effectively apply the law. It is no use just having the law on the statute books if you cannot actually make people comply with it. The review itself refers to the fact that in the UK, for example, it has been identified increasingly, and I quote:

there has been a change in the nature of non-compliance with labour market regulation over the last 10 years, with a shift from abuses of employment regulation towards increasingly organised criminal activity engaged in labour market exploitation

Dodgy, shonky or rip-off labour hire operators are simply going to ignore the law, and that is a problem that the government fails to recognise in so many areas of law enforcement. This legislation turns out to be a burden on the law-abiding, while the criminals simply ignore it.

These concerns are not just the concerns of the Matthew Guy opposition. They are concerns of reputable employer organisations. The Victorian Chamber of Commerce and Industry (VCCI) have made clear their concern and their opposition to this legislation. They have written to the coalition, and I quote:

The Victorian chamber does not support the introduction of a licensing scheme for labour hire operators. Victorian chamber members operating in the labour hire sector have highlighted the significant effort and resources they already devote to ensuring compliance with extensive legal requirements and have expressed concern at the financial and administrative burden of having to comply with an additional licensing scheme.

They went on to say:

There is already significant regulation in the employment of temporary and other employees under a range of legislation. What is needed is more education and support for employees and employers, quick and efficient complaint resolution options for employees and employers, targeted compliance and enforcement activity by regulators and effective prosecution of employers who consistently and willfully breach labour laws.

A new licensing scheme will impose significant costs on the majority of compliant firms operating in the sector.

The scheme proposed in the bill goes significantly further than what was recommended by the 2016 independent inquiry into the labour hire industry and insecure work, chaired by Professor Anthony Forsyth.

The VCCI went on to say:

In particular, it imposes licensing requirements on all labour hire firms, not just those in the meat, horticulture and cleaning industries.

The Victorian Chamber of Commerce and Industry's letter goes on to raise specific concerns about fee levels, red tape, the objection process, the scope of the definition of labour hire providers and workers, the licence period and other matters. But in addition to the views formed here by the Matthew Guy coalition and those of the Victorian Chamber of Commerce and Industry, the Australian Industry Group (Ai Group) has also provided the opposition with some comments that confirm this. I quote:

Ai Group opposes the Labour Hire Licensing Bill 2017 and considers that it presents a severe and punitive overreach across all industries beyond what is commonly understood as labour hire. Ai Group opposes unlawful practices in the labour hire industry but the vast majority of labour hire operators are reputable and comply with relevant laws. We are therefore unconvinced of the need for a licensing scheme and the scheme proposed will only disrupt industry with uncertainty, delay and costs.

Ai Group goes on to reinforce the scenario that I referred to earlier about the potential for abuse. Again, I quote:

A services company who is covered by the scheme as a provider of labour hire services is undertaking work on a major government infrastructure project. Its licence is about to expire and it applies to the licensing authority for a renewal of that licence. The licensing authority is required under the bill to publish on its website that the services company has applied to renew its application. A union has had a grievance with this particular service company and notifies the licensing authority of its objection to the renewal of the licence. This creates uncertainty for the head contractor who commences searching for another licensed provider to do the work (preferably one who is within their first year of a licence term).

It is a scenario that is open to abuse. We know the trade union movement, which this bill is designed to support, will exploit every single opportunity, and they will drive business hard and jobs will be lost as a result. In fact it is possible jobs will move interstate or overseas as a result of this.

Many business operators are concerned about this. I have talked to so many business operators who are concerned about this bill. I know growers in the Yarra Valley. Some of them are here today and are worried about what impact this bill is going to have on their businesses. These are hardworking people. They get up in the wee hours of the morning and go to bed late, late at night as they grow their agricultural product in the Yarra Valley. They are worried that this is going to

10:05:00

affect their season-based businesses, but the government do not care. This is all about a union takeover. This is a bill that threatens enormous damage to the Victorian economy. That is a view not only of the opposition but of many reputable employee bodies that have taken time to look closely at the bill.

I want to continue where I started off. This bill is not about protecting workers or providing more secure work. It is not about justice and fairness. It is an ill-considered, ideologically motivated bill that will hurt more workers than it helps. But I wonder if the Australian Labor Party cares about the workers or just their union membership. I wonder if this is not just designed to promote the opportunities for their unions and union officials just to garner more opportunity.

This will undermine key Victorian industries. It will destroy jobs, it will destroy livelihoods and it will add significant red tape to the industry. I am quite expecting in the responses today from the government that the Minister for Small Business, Innovation and Trade will stand up and recognise the problem that this is going to present for small business. That is his job. His job is to protect and support small businesses. I will be interested to see if he stands up today and stands up for those small businesses or for his union mates. I see Mr Ramsay nodding away here. I would like to toss a coin and say which way the minister is going to fall on this, but I reckon we already know the answer.

This bill will not tackle the organised criminal exploitation of workers. Instead it will open the way for blackmail and corruption by dodgy and self-serving union officials, some of whom have now transitioned to this place. It is a bill that will allow Daniel Andrews and his Labor government to deliver for the union movement.

This bill goes a long, long way beyond the recommendations of the government-initiated Forsyth inquiry into labour hire. The bill ignores Forsyth's concern to ensure that the impact on the large proportion of reputable labour hire operators is minimised. It imposes huge administrative and reporting burdens on business. The commissioner, as a result of this bill, can impose any conditions the commissioner determines on any licensed businesses and can vary those conditions at any time, thus creating enormous uncertainty for business and exposing them to coercion and intimidation. What businesses want is some certainty about how they are going to operate. They want some certainty about how they are going to live the next financial year and the one after that and the one after that, and this bill is so opaque that they are not sure what is going to happen under this bill. So what

would they do here? They could scale back their operations, they could be very selective about which labour hire companies they engage with, or in fact they could shift their operations somewhere else. Victoria's economy is going to hurt as a result of this badly thought-out union-led bill.

The employers face an unspecified but very high level of licensing fees. What is interesting is that already they are facing uncertain costs, with electricity costs going up and gas costs going up as a result of this government's inaction or bad decision-making. It is hard enough with margins getting skinnier and skinnier in business for them to have some predictability about what their costs are going to look like. When a government makes a decision to triple the coal tax royalties in this state and an operator of a coal-fired power station finds it is now not economical to run their power station, closes down and withdraws 20 per cent of the base load out of the business, it is a no-brainer that prices are going to go up. And who is paying for that? Generally small business are paying for that. So they have some uncertainty about their costs because of bad decisions by this government.

Here is another example. Unspecified licence fees are included in this bill. They do not know how much they are going to have to pay, and it could move at any time, but I reckon it is going to be after a chat at Trades Hall when they set up what the licence fees are going to be — as they march one-by-one, single-file into the Premier's office and go, 'This is what we need, Daniel. Give us what we need'.

This is Daniel Andrews's state of the union. It is all about supporting the union movement, and it is anti-worker support. They claim it. They camouflage it. They put some stuff around this saying they are looking after workers, but they are not. They have got form on this. Mark my words, I encourage every member of this Parliament to think very carefully about how they vote on this, because this is not about supporting workers; this is about supporting unions. 10:10:00

As the scheme is intended to be self-funding, as I touched on earlier, with costs running to the millions of dollars — this is about funding a new authority, by the way — the government have said they will give \$8.5 million worth of funding. Based on the data it is likely to regulate only about 1000 businesses. We know through the budget process that the government are not strong on doing the maths, so let me help them with that. With 1000 labour hire businesses at \$8.5 million and self-regulating, it is going to slam every business with a bill of \$8500. Well, I tell you, with skinny margins in business they do not have \$8500 to play

with, yet the government are going to impose this on businesses to run their own authority and to create more public servants to run this authority. This is about supporting their union mates. It is nothing more, and we can see it.

When the briefing process took place for this bill the department could not provide an estimate of the intended licence level fee when they were briefing the opposition. They did not know what it was going to be. So fancy doing this, though it is not uncommon for this government to create a regulation which creates more uncertainty for business. I do look forward to hearing government members try and justify how they can impose additional costs, red tape, uncertainty around costs and more pressures on running a business and think it is an okay thing to do. I would be interested to here that.

But I want to remind those who will respond to me that we on this side also vehemently support any measures that will do anything to deal with people who exploit workers. We have said that right from the start, but this is not what this bill is about. Do not try to con us again, government. This bill is not about that at all, because if you serious about that, you would enforce the current regulations, and you have failed to do that. So what you have done is sit around Trades Hall and go, 'Let's cook up a scheme here that works well for our union mates', and that is what they have done. Who is going to hurt out of this? Workers and business.

But the government do not care about that sort of thing, because they do not see it as their money. They do not care; it is not their money — 'We'll blow out projects willy-nilly' — and there are a litany of projects that have been blown out by this government. This is the same government that said they would not spend any money cancelling a vital piece of infrastructure in this state and then spent \$1.3 billion not to build a road — \$1.3 billion to do nothing. I do not know on what level they think it is acceptable to tell the taxpayer, 'We spent \$1.3 billion of your money to do nothing with it'. But they do not care because they do not see it as their money. There are cost blowouts on every major project in this state, rorting taxpayers money to fund their own election campaigns and putting dogs in limousines and travelling them across the state because they think that is okay. Labor have form on this. They do not care about you. They do not care about the taxpayer; they just care about satisfying the needs of their union mates, and that is what this bill is all about.

The sweeping definition of labour hire providers and workers may catch many practices not generally regarded as labour hire. Relying on regulations to

prevent unintended consequences or to exempt certain sectors or classes of businesses creates uncertainty and makes businesses dependent on government favours and subject to government bullying, and don't we know that this mob have form on bullying. In fact Mr Gepp's own former minister got bullied out of a job simply because she disagreed with what the government were trying to do. The board of the Country Fire Authority (CFA), the CEO of the CFA, Metropolitan Fire Brigade (MFB) operators and MFB executives were all bullied out of their jobs.

And when it comes to bullying I remind the house of a conversation I had with a very senior member of the Metropolitan Fire Brigade who said to me one day, 'Craig, I'm a Labor man, my family were Labor, my grandfather was a Labor man, and I've been a union man as well, but I can't take it anymore. I can't take the government interference in the operation of the Metropolitan Fire Brigade, and I've got to leave. I've had enough'.

He did not go on to say, nor would I expect him to go on to say, that he will vote Liberal next time. I do not expect him to do that. But here is a man who is so entrenched in the Labor movement — with Labor running in his blood; union activity running in his blood — who said to me, 'I've had enough of government interference in the running of this operation. I can't take it anymore. I have to leave'. This mob has form. This government has form on interference in every aspect of service delivery and operation in Victoria to satisfy union mates. That is what they do. 10:15:00

This three-year licence period that they are proposing in this bill is a very short period of time, and it means operators will not have the necessary certainty to be able to invest, to expand their operations and to have confidence in their business activities, because they do not know what the government are likely to do to them. But I can see what is going to happen here. As it gets closer and closer to licence renewal time they are going to get a visit from a union man who is going to say, 'This is what we want' — because they could well object to the licence renewal and create so much uncertainty in that business that it makes it not viable. People will lose their jobs over this. But you know what would not surprise me today? If those opposite, those government members, stand up and say, 'No, we'd never do that. We wouldn't do that. No, we'd never hurt the workers'. This is all about supporting their union mates. It is no surprise we are going to vehemently oppose this bill.

You can look at some of the commentators like the Victorian Farmers Federation, which have gone into great detail, and I commend their work. There are businesses that are seasonal-based businesses that can go from 50 000 employees to a number that swells to 100 000 employees during peak harvest times. They want access to a legal and reliable workforce, and they understand that is critical for the sustainability and the growth of the Australian agricultural industry. This is not what this bill does, and rightly the Victorian Farmers Federation are very concerned about this, but so are many others in the professional sectors. Companies like PricewaterhouseCoopers and Ernst & Young are all worried they are going to get caught up in this as well. I looked at some of the commentary and found an article in the *Australian* of 27 February this year by well-known commentator Robert Gottlieb. The headline reads:

Andrews delivers for his union movement mates.

He says in his article:

The Victorian government is able to use the complexity of the bill plus its innocuous title (the Victorian Labour Hire Licensing Bill 2017) to smokescreen its deadly intent.

That is, to support the unions. Other companies are going to get caught up in this, as I said, companies like PricewaterhouseCoopers, Deloitte, Accenture and KPMG. It is a very sophisticated exercise of this government under the ruse of protecting workers but simply supporting union activity. We do not have to go any further than the royal commission into union corruption, where they identified a member of this house who was directly involved and also a link to the federal Leader of the Opposition. Mr Gottlieb talks about smokescreening the 'deadly intent' of delivering for the Premier's union mates, as he says. He continues:

Another part of the smokescreen is that the proposed legislation has its origins in the appalling practices that took place on Victorian farms where workers, including migrants, were ripped off by dodgy labour hire firms and ruthless farmers.

This was identified in 2015 by *Four Corners*. But the labour hire industry is now regulated by at least six bodies and the Fair Work ombudsman. They have embarked on a very successful drive to clean up the farming industry, showing that existing bodies and the Fair Work Commission and its regulations can in fact handle any future problems. We need to understand that this bit of legislation can work well for both workers and employers, but that is not what it is designed to do. It is not designed to necessarily help workers. That may be the smokescreen they are using. It is certainly not designed to help employers. It is designed to fill the

coffers of their union mates, and we will see more and more of this. This is one of the most critical bills the government has to get through because it is part of their manifesto, and quite frankly, they want to turn up to the Labor conference tomorrow saying, 'We delivered for you guys, the unions'. That is what this is about. That is why they need to get through this today. But the reality is that we have got lots of questions to ask in the committee stage of this bill.

The bill defines labour hire companies in a way that obviously encompasses conventional labour hire groups like Hays, Adecco, Chandler Macleod, Manpower, Praxis and Programmed. But it goes much, much further, because it also envelops consultancy firms like Deloitte, PwC, Accenture and KPMG. It is possible it might also cover situations where, say, an electrical company places an electrician in a client's premises. Does that employee get caught up in this labour hire mix as well? 10:20:00

The legislation that is set out before us today says that objectors to a licence renewal can include, and I quote:

... a person or organisation who has an interest in the protection of workers or the integrity of the labour hire industry ...

Well, that is just about everybody. The legislation ensures several groups can play a role in its possible execution, including a local council, a worker, a union — surprise, surprise — an industry peak body or another labour hire provider. We should note that both a union and a competitor can object, and that is potentially a really tough combination for a business trying to progress. Not only can the union object; one of their competitors can object about them getting their licence renewal as well. The government has not worked this out. This is anti-competitive behaviour. This is about channelling the government's resources into their union friends and making sure that they control everything, because ultimately that is what this government want to do. They want to control everything, from activities in our education sector to activities in our workplaces. They want to control everything, and that is what this is about.

Do not be fooled. No-one in this Parliament or in the Victorian community should be fooled about what this is about. Under the ruse of protecting workers — we have significant regulatory processes in place to do that now — this is about ensuring the unions get much better than their fair deal. This is a union-led bill. I would be interested to hear those on the government side who will talk to us about who helped construct this bill, because I reckon we can compile the list. They line up with their visitor's pass at Trades Hall and go,

‘We’re the people who can be involved in constructing this bit of legislation’.

Gottliebsen goes on to say in his article that the labour hire firm can theoretically appeal to the courts, but that right is useless because the business may well have been truly executed before an appeal can be heard. So if the union objects, a competitor objects, the licensing period runs out and then the business appeals to the court, the damage might have already been done. This is going to hurt business. You can guess what will happen in the third year of the licence. You can see what is going to happen. Every single company will be nervous. Every single company captured by this bill will be on edge because their survival and the turnover of their business is going to be dependent on what their union or their competitor is going to do. So there is a threat to that business and a threat to their ongoing viability. There is a threat to the workers in this business.

I have to tell you that before I joined this place I had an interaction with a person who was a union official who is now a member of this place who was picketing outside a business with which I had a relationship. I said to them at the time, ‘Be careful what you do here, because you may well close down this business’. The response was that he did not care because he had to get his union out there to picket that business and make their claim. What happened to that business is that it decided to close, and all those workers lost their jobs. I said to him when he arrived here, ‘I hope you’re proud of what you did. You drove that business to the wall, and all those people lost their jobs simply to satisfy the needs of your union’. We are going to see more of that through this bill. They do not care about the company and they do not care about the workers; they just care about supporting their union coffers.

The union will be ready and waiting. They will be ready to pounce. They will be ready to look at the most vulnerable labour hire firm and ask for full union membership in exchange for supporting the company’s renewal. You can see how this is going to happen: ‘Make sure all your members are members of the union, and we won’t object. Make sure they are all members of the union, and we’ll withdraw our objection’. This is a con, and we know it. What will happen? The company will do their numbers — and we have seen this over many, many years — and go, ‘Would it be better for us to make sure these people are members of the union, would it be better for us if we financially supported the union or would it be better for us to hold up and say, “No, we’re not taking this”, and have the threat of our business closing down?’.

You know what they are going to do? They are going to make their margins even skinnier and skinnier and skinnier and they are going to pay the ransom. They are going to do it. And it is not the first time we have seen this in Victoria. It is the form of these people who do this. This is how the union operates. They exploit business. 10:25:00

This bill has been put forward under the ruse of protecting workers. It is not about that at all; it is about growing union membership and growing union revenue, because there are already mechanisms in place to deal with this issue. I remind this place of where I started: those shonky operators that are exploiting workers need to be dealt with. They need to be dealt with by the law and dealt with hard. No-one is arguing with that, but that is not what this bill is designed to. If the financial solvency of a company is at stake, they will probably succumb. They will probably succumb and pay the union what they want. They will fill the bags. They will support the union. They will make sure the workers are under the direction of the union, and they will just have to sit down and take it. We have seen this time and time and time again.

But government members will get up today and defend. They will get up today and use examples of workers who have been exploited and say, ‘That’s what this is designed to stop’. None of us support workers being exploited in that way. None of us do, but that is the argument that they will run today. But it will be interesting to see how they defend the scenarios we have presented them with today where it is possible. I will ask them to answer this: will they assure us that the unions will not exploit these companies? They will not give that guarantee because that is the premise of this whole bill. If this gets up, at the Labor conference tomorrow they will stand up and beat their chests and say, ‘We delivered for you. We delivered for the unions’. Because, as they say in their often-sung song, ‘the union makes us strong’. That is what this is about. Do not for a moment think this is about supporting workers and business, because it is not. It is anti-business.

The existing regulations are in place; all they need to do is enforce them. All they need to do is enforce the law and make sure that those employers and labour hire companies that are exploiting workers are dealt with appropriately under the law. We on this side of the house, the Matthew Guy Liberal-Nationals coalition, absolutely support making sure that those shonky operators are well and truly dealt with, and harshly. But that is not what this is about.

That is not what this is about at all. This is about propping up union membership and making sure that the unions can crush, that the unions can demand control. We have seen that through the Country Fire Authority and the Metropolitan Fire Brigade. It is all about getting control. It is all about the union telling management how they will run their business. I go back to the example I used earlier in my contribution where a senior member — a union man and a Labor man, he said — of the Metropolitan Fire Brigade said to me, ‘I cannot take this anymore because they keep trying to tell us how to run our business’. So who runs the business, management or the union movement? I know what this bill is designed to do. This bill is designed to give absolute control to the unions to run business.

Today members opposite will stand up and talk about exploited workers. They will smile about what they are trying to do here because they know deep, deep down — if I can quote that line of things I do not talk about at parties — this is about ensuring that their union mates are supported, because that is how they came to government. That is how they got here. They owe favours. They have debts to pay, and they are looking to do that. That is why they get angry on that side of the house, because we know that anger is deferred guilt. We know what this is about. They will laugh about this today. They will find a jocular reason to deal with this because they think, ‘We don’t care. It’s not our money, it is not our business; it’s just about supporting our brothers and our comrades and our sisters’. That is what this is about. Sadly for Victorians, this is what we are getting in this state.

This bill and this government will impose huge and unnecessary paperwork and administrative costs on labour hire businesses. It exposes them to arbitrary and unpredictable demands and burdens which will drive out many of the reputable businesses, many of the reputable operators, particularly small operators, and will reduce flexibility and responsiveness. For example, the agriculture industry. The strawberry growers I met here in the Parliament last week, it will come as no surprise to anybody in this place that they run a seasonal business. They need to have the flexibility to be able to operate that business. This will reduce job opportunities for Victorians and hurt many Victorian industries, particularly export industries such as the horticultural industry and the meat industry.

This bill goes way, way beyond the recommendations of the government’s Forsyth inquiry, an inquiry they initiated and then did not like the result of so they said, ‘We’ll do it our own way’. The Forsyth inquiry recommended licensing for specific sectors only, and it seems this bill is as much intended for increasing union

membership as they claim it is for protecting vulnerable workers. The solution to exploitation of workers by a handful of shonky operators in a small number of sectors is to apply and enforce the existing laws — Bill Shorten’s Fair Work laws — which already set out to provide protections for workers and their entitlements.

We have had a lot of feedback because we have consulted widely on this. We have consulted widely with many, many groups, many of whom said they have not been consulted with by the government. We sought views from the Australian Industry Group —

Mr Gepp interjected.

Mr ONDARCHIE — Mr Gepp jocularly has a bit of a laugh about that, that they have consulted widely. I tell you what, their own inquiry recommended something different but they said, ‘No, to heck with that, we’re doing it our own way’. This is Mr Gepp’s union bullying 101: ‘We’re going to do it our way and we don’t care what you think’.

Views have been sought from the Australian Industry Group, the Victorian Chamber of Commerce and Industry, the Victorian Farmers Federation, the independent contractors association, the Australian Retailers Association, the Victorian Trades Hall Council, the HR Nicholls Society and the Recruitment and Consulting Services Association as groups but also from lots of individual businesses and operators who have come to us and said, ‘This is a real concern; it’s not right’. We ask, ‘What are the government saying?’, and the responses are almost exactly the same: they are not listening or they do not want to know. This is bullying. This is forcing through legislation under the ruse of protecting workers when it has got nothing to do with that; it is about supporting their union mates.

Let me finish where I started off. This bill is not about protecting workers or providing more secure work. It is not about justice and fairness. It is an ill-timed, ill-considered, ideologically motivated bill which hurts more workers than it helps. It undermines Victoria’s economy. It undermines Victorian industries, destroys jobs and destroys livelihoods. It adds significantly more red tape to the industry. It is not designed in any way to tackle the organised criminal exploitation of workers. Instead it opens the way for blackmail and corruption by dodgy and self-serving union officials. It is a bill that allows Daniel Andrews and his Labor government to deliver for the union movement and to satisfy the request of their union mates. It is ticking a box they can take to the Labor conference tomorrow and say, ‘We’ve done it for you. We’ve helped the union. We’ve

10:32:30

pumped up your coffers, and we might just increase your affiliation fees as a result’.

I am looking forward to discussing this a lot more in the committee stage because there are so many unanswered questions. There are so many unanswered questions that employers and workers have. People caught up in this bad bill want answers. I will be asking questions on their behalf, as will my colleagues, in the committee stage of this bill. There are a whole host of reasons why the coalition vehemently opposes this bill. I have outlined them today and will tackle more of this in the committee stage of this bill. We oppose this bill.

Ms SPRINGLE (South Eastern Metropolitan) (10:33) — I rise today to speak on the Labour Hire Licensing Bill 2017, and I will be clear at the outset that, while the Greens have some concerns about the bill and would like them addressed within this debate, we support the bill.

This bill seeks to establish a labour hire licensing scheme for Victoria and represents the culmination of more than three years of investigation and consultation. The inquiry into the labour hire industry and insecure work commenced in October 2015. In addition to examining the industry broadly, the inquiry aimed to investigate systemic underpayment and exploitation of labour hire workers. It was chaired by Professor Anthony Forsyth from the Royal Melbourne Institute of Technology, held 17 hearing days around the state and, as Mr Gepp has already pointed to, received nearly 700 written submissions. The final report of the inquiry was published in October 2016. The government accepted the majority of the recommendations in full and two in principle and progressed the inquiry’s recommendation that Victoria develop a labour hire licensing scheme. And so here we are. Public consultation on the proposed licensing scheme was undertaken in late 2017.

My point in running through this is two-fold. Firstly, I question the amount of time it has taken for there to be action on this. I am pleased we have finally gotten to this point, but it has been a lengthy process, and workers are justifiably disappointed that this issue has not been a higher priority for a Labor government. Secondly, I want to point out that this has been a rigorous process, with substantial opportunity for stakeholders to provide input and express their concerns about the bill.

The Greens understand that temporary and short-term labour plays an important role in many sectors, but we are fundamentally opposed to the use of labour hire and contracting to exploit workers, including illegal rates of

pay and the use of fixed-term contracts and labour hire to avoid costs associated with making jobs secure. We should absolutely be concerned by the huge increase in labour hire we have seen over the past few decades, and we need to acknowledge the relationship that can exist between labour hire, job insecurity and income inequality. We do, however, accept that there is a genuine need in many industries and roles for temporary workers. For example, seasonal employment is a reality in agriculture, as is the substantial involvement of an international workforce.

In arguing that we need to roll back the rampant casualisation of our workforce, we are not suggesting we revert to a time where people worked their entire lives in the same profession for the same employer, putting in hours at the same location day after day and, for those lucky enough to get one, enjoying a pension as a reward. In fact the Greens have been longstanding advocates of fundamental changes in the way we work. This bill and others currently before Parliament propose some important changes to increase worker protections that the Greens fully support. But there are so many more pressing issues in relation to employment and industrial relations that we desperately need to address in a deliberate, creative and visionary way.

The Greens want to build the cost of worker protections and benefits into industries. These are fundamental rights, and it should not be an option for employers to claim they cannot afford to look after their employees. The Greens also want a strategic rethink of the way we work, the hours we work, flexibility in the workplace to support families and the value we place on unpaid work. We seek equal pay for equal work, including equal pay for gig economy and labour hire workers, and a genuine conversation about population growth, which is already putting a strain on Victoria’s infrastructure and, despite growth in employment, is failing to improve our unemployment problem. In short, this scheme is overdue and a welcome step forward, but in reality it is a component of much wider reform that we desperately need.

Notwithstanding the opposition’s outspoken criticism of this scheme — and I was impressed to hear Mr Ondarchie’s contribution and how many times he said ‘union mates’ in 1 hour; I am sure that if someone was playing some sort of drinking game, at this point they would be very, very inebriated — there is broad support from many quarters for the bill. I note that among supporters and even opponents of this bill there is a strong preference for a national scheme that is consistent across jurisdictions. I note that one of the recommendations of Victoria’s labour hire and insecure work inquiry was that the Victorian government

advocate for a national scheme. I understand that advocacy is ongoing, but in the absence of a national scheme several states have taken the initiative to develop state-based schemes. There are some clear challenges associated with going it alone, and I will cover them in detail shortly, but in the absence of any commitment or substantive conversation on a national scheme, the Victorian government is right to be tackling this issue now, as Queensland and South Australia have done.

10:40:00 The bill establishes a labour hire licensing scheme, including the Labour Hire Licensing Authority and the labour hire licensing commissioner, who will be appointed for five years by the Governor in Council on recommendation from the minister. Providers of labour hire services must apply for and be licensed in order to operate and must be assessed as being fit and proper persons. Employers must not engage providers of labour hire services unless they are licensed. Licences will be granted for three years, at which time applicants will need to apply for a licence renewal. Interested persons may make an objection to an application. An interested person is defined as a person or organisation who has an interest in the protection of workers or the integrity of the labour hire industry, so they could be, for example, a local council, a worker, a union, an industry peak body or another labour hire provider.

There are three categories of civil penalties, the most serious category including requirement to hold a licence and for employers to only engage with licence-holders attracting a maximum penalty of 800 units for an individual and 3200 for a body corporate. The new scheme is likely to clean up labour hire to a certain extent going forward. Done properly, it will certainly increase transparency and put the onus on companies that use labour hire to do their due diligence. It is worth pointing out that the process is designed to be very clear and straightforward to ensure that it is easy to undertake due diligence. The obligations of the host will essentially be to check that the labour hire agency they use is licensed, and due diligence regarding compliance beyond that will be the responsibility of the labour hire agency. Unfortunately the reality is that it will not completely eliminate exploitative work practices. But we believe it will reduce the incidence of exploitation, increase transparency in labour hire practices and ultimately result in better outcomes for workers. On that basis it is an important step forward.

Many of the arguments put forward by opponents of this bill boil down to businesses not wanting to foot the bill for the cost of regulating labour hire and for treating workers in accordance with the law. Corporations have always argued, and will always argue, against rigorous

regulation and any cost that affects their bottom line. The Greens are of the opinion that for far too long corporations have failed to build the real costs of worker and environmental protections into the services and products they sell. And in many cases they have gotten away with that. This historic failure to build these important protections into budgets and costs have led to unrealistic expectations of what market values can and should be. These unrealistic expectations of insanely low labour costs and product prices have a very real impact on people's lives and the health of our environment. This is a problem that exists across so many sectors, industries and employment practices; it is certainly not isolated to the issue of labour hire exploitation. Suffice to say this labour hire scheme seeks to redress the serious historic problem where the real costs of human labour have not been built into the budgets and bottom lines of corporations and small businesses. It is not good enough; it has to change, and this bill will go some way towards addressing that problem.

While we support the bill, we do have serious concerns regarding impact on specific cohorts of workers, which I will outline now. In the short term the bill is very likely to cause harm to people who are currently working illegally. Before I elaborate on this issue I should acknowledge the complexity in addressing this problem, and that many of the remedies are federal issues over which the state has no jurisdiction. But we Greens would argue that the Victorian government has a duty of care to all people living in Victoria, regardless of their citizenship or visa status. While we fully support the introduction of this scheme, we are equally firm in our view that undocumented workers should not simply be told, 'Bad luck' or 'There's nothing we can do' when they lose their livelihoods and potentially their homes. The practice of employing undocumented workers in Australia and Victoria is widespread. The cohort of undocumented workers includes people who have overstayed their visas, who hold visas with no permission to work or who have exceeded the allowable working time on a visa. Accurate figures are not available, but this cohort may number in the thousands in Victoria. These people are highly likely to lose their jobs when the scheme is introduced, if the scheme works as intended. Proper regulation of labour hire in Victoria and other jurisdictions will likely result in some workers moving to unregulated jurisdictions.

There is no indication that the Victorian government has seriously considered or planned to support this cohort of workers. The reality is that without wider reform this cohort will continue to work under the radar. The fact is that there is a massive disincentive for workers to report exploitation where workers risk

deportation as a result of coming forward. Conversely, there is a strong incentive to keep working under exploitative conditions or move on to another cash employer, particularly where workers' families here or abroad are reliant on their income. These people will trade-off risk in order to support their families, and that choice is entirely understandable. While we do not know how large this cohort of undocumented workers is, we do know from existing research that we may be talking about hundreds, possibly thousands, of illegal workers who will be put out of a job and potentially made destitute when this legislation comes into effect. In cracking down on the exploitation of workers, the Greens would argue strongly that the Victorian government must take into consideration the issue of potential harm, displacement and loss of livelihood of all workers who are being exploited in this state, including this cohort.

WEstjustice has a strong track record in investigating and addressing these issues and made the following recommendations in its submission to the Victorian labour hire inquiry, and I quote:

The Victorian government should call on the federal government to amend the Fair Work Act to state that it applies to all workers.

Migrant workers who have been trafficked or subjected to exploitation should be permitted to remain in Australia for at least as long as they are pursuing civil remedies of compensation from the employer or if they are involved in any Fair Work processes.

Workers should not face deportation unless there is a serious breach of their visa conditions.

Clearly the bulk of work on this issue needs to happen at a federal level, but it is important that these impacts are acknowledged during this debate, and that these challenges are addressed outside this chamber if we are to truly tackle worker exploitation. I would very much like to hear from the minister what action has been taken or is planned on the issue of visas in relation to both addressing worker shortfalls in specific areas and extending worker protections to all workers. I would also urge the government to engage on these issues with WEstjustice and others working in this space to ascertain what wraparound supports and additional funding might assist in alleviating this problem as the labour hire scheme is rolled out.

In summary, the Greens are supportive of this bill. However, we are clear that there is much more work to be done, not only in relation to ending the exploitation of workers but right across a range of issues relating to insecure work and the livelihoods of so many

Victorians. On that note, I commend the bill to the house.

Mr GEPP (Northern Victoria) (10:47) — I too rise to speak on the Labour Hire Licensing Bill 2017. I will not go through all of the elements of the bill as per the previous speakers; they have been well outlined. But I want to start from the basic compact that has existed in this country for a very, very long period of time — that is, a fair day's work for a fair day's pay. That has been the hallmark of our industrial relations system for an extremely long time, and we have expressed that through legislation and various forms of industrial relations acts over many, many year

Why do we do that? We do that because it sets the framework for what we believe as a society here in this country are the minimum standards — the minimum that we accept for that daily exchange of labour for wages. That is what we have done, and we have had those frameworks in place for, as I say, a very long period of time. They establish that basic value of a fair day's work for a fair day's pay, and they include the framework for establishing things like baseline minimum wages.

Is it any wonder that only a couple of weeks ago we saw in the very streets of this city, just outside this Parliament, hundreds of thousands of people saying that that basic value — the hallmark of what we say is a decent industrial relations system in this country — is being broken, that the rules are no longer fair and that they are no longer equitable? That is what this bill is about. This bill goes some of the way to addressing some of those inequities that exist in our system. This bill is designed — yes, as Mr Ondarchie said — to stop the exploitation of workers, and we make no apology for that, none whatsoever.

Isn't it interesting that when we look at all of the case studies over many, many years of all of the workers that are exploited, it is always the same cohort. It is the unskilled labour and the people who come from poor socio-economic backgrounds with little education, and again and again they are exploited. We always get from those opposite, either at the state or federal level, 'Oh, we certainly don't support anyone being exploited', but when a Labor government puts forward remedies to address this exploitation, what do we get? It is the 'reds under the bed' argument — 'It's the unions', 'Oh, it's the bogeyman' — each and every time.

Regarding Mr Ondarchie's contribution, I must say there is something a bit rich in getting a lecture from this bloke about decency — the bloke who trashed only a few short weeks ago —

Mr Ondarchie interjected.

Mr GEPP — He trashed a centuries-old convention in this place, and why?

Mr Ondarchie interjected.

Mr GEPP — It was based on a lie. Here we go, he shouts across the table. He said to the chamber — the fraud — ‘Oh, I can’t stay here’, and then he trundles back in. He lied to the place. He is just a liar and a fraud. But that does not matter. And then he has the gall to come in here when we are debating a bill about the exploitation of working people and try to lecture us about decency and about ethics. You are kidding, aren’t you? You are kidding.

Mr Ondarchie interjected.

Mr GEPP — Four weeks ago, brother, you lost that right, and you will never get that back.

Let us talk about the people — and Mr Ondarchie conveniently in his submission forgot to talk about the people — who actually support the introduction of these new laws and the people who support increased regulation in this area. The basis of his submission was that we actually do not need any more regulation and we do not need to change the rules. They are okay; we just need to enforce them. That was despite all of the other ‘the sky is falling in’, Chicken Little arguments. He came up with every possible scenario under the sun as to what might happen. ‘Gee, if we cross the road, we might actually get hit by a tram’. Well, yes, you might. You never know. Who knows whose luck might be in on that day?

Let us have a look at those people who have said they support this. This is a particularly challenging exercise for The Nationals in this chamber because the member for Mildura in the other place has actually come out and said that he supports increased regulation in this space. Indeed the federal member for Mallee, Mr Broad, up in my electorate of Northern Victoria Region, says he supports increased regulation in this space. Peter Tuohey of the Victorian Farmers Federation (VFF) is on the record — and I will get the quote because I do not want to mislead anybody in terms of what he was saying — and what he is saying is:

The Victorian government has pledged to regulate all labour hire companies, a move supported by the VFF.

Then of course we have Ausveg and the deputy chief executive, Andrew White. What does he say? He said:

At the moment it’s a free-for-all. You’ve got very little regulation, if any.

So despite Mr Ondarchie’s assertion that there is plenty of regulation, we have actually got the deputy chief executive of Ausveg saying something completely different. He went on to say:

Labour hire contractors constantly provide a vital service for the horticultural sector but unscrupulous firms damage the entire industry.

That is what this bill is about. It is about making sure that there is a system in place where everybody understands the rules and is compliant with them. If we go back to that basic tenet of a fair day’s work for a fair day’s pay, then those organisations that are doing the right thing have nothing to be concerned about in terms of this legislation.

In fact the farmers that the government has spoken to across this state, and particularly up in northern Victoria, are actually doing the right thing and engaging, because we understand, particularly with seasonal work, that there is a need for labour hire. We get that; we understand that completely. Those farmers and those labour hire agencies that are doing the right thing and employing people correctly under the law are saying very clearly, ‘We are being undercut by unscrupulous operators who are doing the wrong thing by workers’. This is about those who undercut and exploit those workers and steal their wages. Is there anything worse in this country, which puts prime value on a fair day’s work for a fair day’s pay, than an employer or their agents stealing the wages of working people? That is what they are doing. I think even the Leader of The Nationals in the other place might be on record saying that he supports greater regulation in this area. So there is a challenge for The Nationals in this place to actually stand up and break away from this hard right wing —

Mr O’Sullivan — On a point of order, Acting President, I think Mr Gepp is verballing the Leader of The Nationals. If he wants to make those sorts of comments in relation to Mr Walsh, can he please quote his actual words rather than paraphrasing him incorrectly.

The ACTING PRESIDENT (Mr Ramsay) — I can make a ruling on this; it is not a point of order. Do you have some direct quotes you might to use, Mr Gepp, to make it factual?

Mr GEPP — If it is not a point of order, I am not sure what the reason for the ruling is.

The ACTING PRESIDENT (Mr Ramsay) — The ruling was that it was not a point of order. Continue, Mr Gepp.

Mr GEPP — Thank you, Acting President. There is going to be a challenge for The Nationals in this place, as clearly there is an appetite, particularly through northern Victoria and in my electorate of Northern Victoria Region and Mr O’Sullivan’s —

Ms Pulford — But you live there.

Mr GEPP — That is right; absolutely I do — and Ms Lovell’s and Ms Symes’s and Mr Young’s electorate. We heard about this right throughout the Forsyth inquiry, which Mr Ondarchie was so fond of quoting in his contribution; we had 700 submissions over 17 days. Ms Springle talked about the very extensive process that was undertaken by that inquiry, and we heard again and again from people in northern Victoria. They want greater regulation around this. They want us to do something. They want us to stop the exploitation because it does not just impact on the workers that are being exploited; it impacts across industry as well, where there is an unevenness and unfairness in terms of the cost structures right across those industries.

I do want to talk about Mr Ondarchie carrying on a bit, saying, ‘They’ll come up with examples’. Well, you bet we will, because they are everywhere. Only last week we had the report of 50 workers from Vanuatu being paid as little as \$8 an hour and that they were exposed to dangerous working conditions, inhaling an intense chemical stench after spraying at the farm, all under what is supposed to be Australia’s most stringent temporary migrant workers scheme. People reported chest pains and blood noses after five months of working —

Mr Ondarchie interjected.

Mr GEPP — Yes, you can interject, because you do not want to hear these examples. You do not want to hear these examples of workers being exploited and what happens. You do not want to hear about it, but I am going to tell you.

Mr Ondarchie interjected.

The ACTING PRESIDENT (Mr Ramsay) — Order, Mr Ondarchie!

Mr GEPP — What happens of course is that these people get ill. For six months these workers were shamefully exploited by this organisation. Under Mr Ondarchie’s regime, what he would do is have the reverse onus: that it is the worker who has to take responsibility because there is going to be way too much red tape to pay people properly or to keep them safe. He is saying, ‘We don’t want red tape. Whatever

we do, let’s get rid of it. If that red tape means that people are going to be paid properly and kept safe, we can’t have it. It’s too much; it’s just a bridge too far’. But of course we know that when these laws are put in place they will give so much protection and so much comfort to vulnerable workers in industries where labour hire is now rampant. Of course it is not just limited to seasonal work; it is everywhere.

I want to finish on this note. Everybody in the chamber may not be aware, but Mr Ondarchie is fond of talking about ‘unions’ and ‘our mates’. On Tuesday I actually had a visit from the recently cleared assistant secretary of the CFMEU, Mr Shaun Reardon. Mr Reardon and I were in Strangers having a cup of tea, but I had to leave briefly to come back into this place. Do you know who walked by after I left Mr Reardon?

None other than the Leader of the Opposition in the Assembly, Mr Guy. Do you know what Mr Guy did? He broke away from the people he was with, he ran over and he shook Shaun’s hand and he said, ‘Thank goodness you have just gotten off those trumped-up charges as a result of the trade union royal commission’. So I do not think, Mr Ondarchie, that your hard-right views are shared by all in your party.

11:02:30

Honourable members interjecting.

Mr GEPP — I commend this bill to the house.

Dr CARLING-JENKINS (Western Metropolitan) (11:03) — I rise today to speak in support of the Labour Hire Licensing Bill 2017. I am a very proud participant in the modern worldwide abolitionist movement that seeks to end all forms of slavery and human trafficking whether for sex, labour or other purposes.

I want to draw in my contribution on a very helpful 2016 publication by Eurofound, the European Foundation for the Improvement of Living and Working Conditions, entitled *Regulation of Labour Market Intermediaries and the Role of Social Partners in Preventing Trafficking of Labour*. After considering various means of identifying possible human trafficking for labour the report notes this:

... regulation is needed to reduce the extent to which exploitative labour market intermediaries can operate.

I note that the term ‘labour market intermediaries’ is equivalent to, or at least includes, what this bill refers to as ‘labour hire services’. The report goes on to observe that:

... regulating formal labour market intermediaries is of limited value if the proliferation of informal actors is neither restricted nor penalised.

It concludes that the best option is for a licensing scheme that is subject to strict enforcement and states:

Factors for consideration in such a scheme should include the suitability of proprietors or senior executives, financial guarantees for the wages and social security contributions, and periodic inspections and relicensing. Governments who are responsible for monitoring the enforcement of licensing (and other) schemes play a role in holding businesses accountable if they do not comply with national regulations.

Such licences can be revoked or a business shut down if it is found that it engaged in trafficking for labour exploitation. The report also insists on the need to include penalties for the use of irregular operators even when no abuse of workers has been demonstrated. This would help, the report says, to:

... reduce the presence of informal or even criminal operators, and of course requires there to be some system for identifying those operating legitimately — such as a licensing system.

I have provided these reports and quotes to those opposed to this bill and no-one has been able to answer my questions around it. The Labour Hire Licensing Bill 2017 will establish a licensing scheme that has the best-practice features set out in the Eurofound report.

Clause 15 of the bill appropriately prohibits any person from entering into an arrangement for the provision of labour hire services to the person unless the proposed provider of labour hire services is the holder of a licence that is in force, and clause 94 provides a civil penalty for breaches of this prohibition. This provision is clear and unambiguous. The register of licence-holders will be easily available, so it will be straightforward to avoid any risk of incurring this penalty.

I do wish to acknowledge representations from the Victorian Farmers Federation and others, particularly from the horticultural sector, arguing that many aspects of human trafficking for labour are best addressed by the commonwealth. I understand their concerns and I agree this case in part. Nonetheless, I am persuaded that a Victorian licensing scheme for labour hire services is a very useful, even essential, component in a comprehensive response to human trafficking for labour. Vulnerable people deserve a comprehensive response to their plight.

A number of organisations such as UnitingCare have been strong advocates on this point, and I would like to particularly acknowledge the advocacy of Dr Mark Zirnsak, a senior social justice advocate with the Uniting Church. I also acknowledge the thoughtful and comprehensive report by Professor Forsyth, who recommended this scheme, or a similar scheme. The

government has brought forward a bill to give effect to these recommendations and the multitude of voices that have called for a formal response to human trafficking in this state. It is an essential component of an effective scheme to prevent human trafficking for labour, and as an abolitionist, I welcome this bill and I give it my support.

Mr O'SULLIVAN (Northern Victoria) (11:07) — It gives me great pleasure this morning to rise to speak on the Labour Hire Licensing Bill 2017. I will not go into the detail of what is contained within the legislation; that has certainly been covered by others, so I do not need to go over that territory once again. However, I do want to make some comments in relation to some of the things that have already been spoken about this morning, particularly by Mr Gepp. There is no doubt that Mr Gepp has got a personal conflict in terms of the way he deals with these types of issues. Again this morning we have seen how that has played out.

Mr Gepp represents the same electorate that I do, Northern Victoria Region, which has a significant number of growers and farmers and horticulturalists who will be impacted by these laws and experience a negative impact from them. But in this place Mr Gepp clearly seems to regularly not represent his electorate but firmly represent the views of the union movement and the Labor Party rather than what is actually in the best interest of his electorate. That is disappointing but it is something that we have become used to in Mr Gepp's time in this Parliament.

Mr Gepp referred to a labour hire company that had practices that were not condoned by anyone, but what he failed to mention was that that same labour hire company has gone before the Fair Work Commission and is currently being prosecuted by Fair Work for those breaches of the current legislation.

I find it interesting that what this bill is trying to do is add an extra layer of regulation and legislation over the top of what is already in existence. The problem is that this bill is ill-conceived, because it is trying to impose more regulation on the industry when what it needs to do is enforce the current regulations, enforce the current rules and enforce the current laws that govern this industry. And that is not what has been, which is very disappointing. We do not need these new laws in this space, because the laws already exist. There are already strong laws in this regard, but they are just not enforced with the vigour that they should be. So the energy should go into enforcing current laws and current regulations rather than setting up a whole new bureaucracy — a whole new layer of regulation, which

11:10:00

in the end will result in a whole new level of costs to the industry and which will have a detrimental impact on many people.

One of the other things that I find ironic in this debate is that the Labor Party makes itself out to be the friend of jobs. Everything they do is in relation to jobs. This bill is actually going to reduce the number of jobs in terms of labour hire in the horticultural industry. With the number of regulations to be introduced by this bill and the amount of regulation and costs that will be added onto industry, I think there will be some growers and producers who will say, 'This is all too hard. This is the straw that breaks the camel's back. We are not going to do this anymore'. It is not worth the angst of having to go through all the regulations and jump through all the hoops for something that they were doing legally and in the appropriate manner to start with.

I want to put on record that we all agree — certainly on this side of the house we all agree — that those shonky operators, those shonky labour hire companies, need to be dealt with in the appropriate way. But that can be done under existing legislation and under existing regulations. I do not know why the government do not put their energy into enforcing the current regulations. In fact, Mr Ondarchie has given us a fair insight into his views as to why they want to go down this path with new regulations and the new legislation, and it has got a fair bit to do with the conference that they have got on tomorrow and being able to walk in and tell the unions that they have given them another free kick. I think that is an underlying message that we have seen. We have seen it in the fire services with the United Firefighters Union. They have been given more than a free kick. They have been given the whole playing field to play on by themselves and they are just kicking goal after goal after goal under this government. And the government is quite happy to sit by and let that occur.

I do not think many people in this chamber would appreciate how growers and horticulturalists operate in terms of the way they run their business, so I am going to spend a little time going through that. Farmers in general, including horticulturalists, often spend all year growing their produce and whatever else, and they then get a very short time frame when they can harvest what they have produced. Then what they do to make the money that they need for the whole year is sell their produce once it has been harvested, picked or shorn — whatever the process is that results in the product that they sell into the market. In the horticultural industry if you are growing pears or apples, oranges or strawberries — or whatever the produce is — it is planted and grows at a certain time and then you get a

very short window to be able to pick or harvest that particular product and get it to market.

If you pick it too early, it is not ripe and therefore you will not be able to sell it. If you pick it too late, it will be overripe and it will spoil and you will not be able to get it to market. So in many instances you get a very short window to be able to pick it. In that situation, an orchardist, horticulturalist, farmer or grower does not have the labour available to them on an ongoing basis because they only need the labour for that short window of time that they need to pick something. It might be just days. It might be three, four, five or six days where the product is absolutely cherry ripe to be picked and to be sent to market in pristine condition — both here domestically and overseas. So what the horticulturalists, growers and producers rely on is being able to get a surge capacity of labour. They cannot organise that themselves, so they go through labour hire companies to do that. This makes perfect sense, because a labour hire company can shift its workforce from this farmer to the next one to the next one to the next one to service that surge capacity requirement throughout the district and into other districts and other products, if need be, because the produce ripens at different times.

So the farmer contacts the labour hire company and says, 'My crop is going to be ready to be harvested or picked next Tuesday, so we have got a very short time frame. Can I have 50 pickers to come and do that work?'. The grower himself cannot organise that so they use the labour hire company. The labour hire company says, 'Yes, no problem. I can have that workforce there'. They turn up on the Tuesday morning, they work really hard and they get the job done. That producer can then sell that product in pristine condition to the market. And that is the money that they have for the whole year. There is not an opportunity for them to say, 'Well, let us do it the week after, or the week after that'. By that time they would lose everything because the produce would be overripe and would not be able to be sold.

So the industry is very important to horticulturalists in terms of having that surge capacity to do the work. Obviously in terms of doing the work, the producers are more than happy to pay, as Mr Gepp was saying, a fair day's pay for a fair day's work. They are more than happy to do that because it is worth it to them in terms of selling their product into the market. But what we do not want, what none of us want, is to have a labour hire company that does the wrong thing. Therefore we need to prosecute those ones that do the wrong thing. We have got the existing laws so that we are more than capable of doing that now if they were enforced correctly, but we are not enforcing them the way we

should. But on the converse side of that, the labour hire companies that are doing the right thing — and most of them are; most of them are doing the right thing — pay their workers fair rates and wages. They get the people to do the work, and those people who are working for those wages very much appreciate it, because that is the line of work that they have chosen to undertake at that time, which will give them an income to be able to feed their family — or do whatever they wish to do — and put a roof over the heads of their children.

11:17:30 But what this piece of legislation does is basically come from the approach that everyone does the wrong thing so we are going to punish everyone for doing the wrong thing, but the problem is that most of them do the right thing. It is interesting that the Greens disagree with me on that one. They obviously think that all labour hires are shonky and do the wrong thing. I think that is a gross generalisation and one that is very unfair, and it is one that I certainly do not agree with. What is apparent is that if everyone is treated the same, then we start from a presumption that everyone is guilty. That is not the way our system works. Not everyone is guilty in this space. Let us deal with the ones who are doing the wrong thing and let us punish them appropriately, but by putting all these extra regulations, legislation and burdens on the existing ones who are doing the right thing, all we are doing is making it more difficult for them to undertake their business.

They are doing it in a lawful way. I have heard consistently that some of them have actually already started to say, 'We do the right thing and we're going to be punished for doing the right thing, so we might consider moving our operation interstate'. And that would be a really bad outcome if the people who are doing it appropriately and lawfully moved interstate to undertake their business where there is less regulation, there is less oversight and there are less rules. That would be a bad thing for those producers who need to harvest their goods in that certain small window that I have spoken about, which is very important in terms of them being able to get the money that they have, the income they have, for the whole year. That is why in essence I think this is a bad piece of legislation and certainly one that we cannot support on this side, and we certainly will not be supporting it on this side.

In terms of one of the aspects and I think one of the problems with this legislation — it will be interesting to see where it goes; I am very keen to see where this will go — the Labour Hire Licensing Authority that is going to be established under this bill will only grant licences for three years, which gives no certainty to those producers or to those labour hire companies who want to work in this state lawfully and are currently doing so

lawfully. It gives them no certainty in their business model in terms of being able to plan for their future when they have to go and try and renew their licence every three years. With the Labour Hire Licensing Authority and the labour hire licensing commissioner, one of the fears that I have is that those groups will be influenced very heavily by the union movement. Mr Ondarchie has covered that in some detail, so I will not go over all of that ground, but I do think that is something that is quite likely to happen, and I think that is probably one of the reasons that this bill was actually dreamt up in the first place, because as we know, this legislation goes well beyond the Forsyth inquiry.

Honourable members interjecting.

Mr O'SULLIVAN — In terms of the recommendations that the Forsyth inquiry suggested, it goes much further than that. So we are finding that the Labour Hire Licensing Authority will be heavily influenced by the union, and people on the other side of the chamber will think that is a good idea. I think that is one of the ideas in terms of why this legislation was drafted in the first instance. We on this side of the house cannot support this legislation; in fact we will oppose this legislation.

Mr Gepp interjected.

Mr O'SULLIVAN — I am sticking up for the growers in my own electorate, Mr Gepp.

Mr Gepp interjected.

Mr O'SULLIVAN — No, Mr Gepp. I have said very clearly — and I am happy to say it again for your benefit — that we do not support those shonky labour hire companies that are doing the wrong thing. They should be prosecuted and dealt with under the current legislation, which is fine but just needs to be enforced. That legislation needs to be enforced, Mr Gepp. It is currently not enforced to the extent that it should be. You just want to set up a new agency which will have greater union influences, and at the end of the day we know what that will do. It will put more money into the hands of the Labor Party. This is just the Labor Party fixing up their Labor mates as we would expect them to do.

Ms LOVELL (Northern Victoria) (11:22) — I rise to speak on the Labour Hire Licensing Bill 2017. This bill is actually a wolf in sheep's clothing. It is a bill that masquerades as a bill to protect workers rights, but it is actually a bill that will harm Victoria. It is a bill that sets up a licensing system for labour hire, and let me say that nobody supports workers being exploited. Particularly nobody supports workers being underpaid

or being here illegally and treated abysmally. Everyone wants to see workers treated fairly in this state, and all of our growers want to be able to do that as well. They want to be able to support their workers. They want to have a good workforce, and they want to fairly remunerate them for their work. Our orchardists are mostly hardworking and good people who want to see the people that they employ looked after and remunerated adequately.

In every industry, even here in the Parliament, there is always a small element who let the rest of the people down, and it is that small element that gets all of the attention. We could compare that to the Labor Party rorting government funds to pay for their last election. We do not do that on this side of the Parliament, but you do it on that side of the Parliament and the whole Parliament wears the stigma of that abysmal behaviour. So when you get one employer out of hundreds who does something wrong and it ends up on the front page of the newspapers or on a 7.30 report or a *Four Corners* report, the whole industry gets smeared with that, but the whole industry is not operating outside of the law.

11:25:00 The law also at the moment provides for protections for workers. There are other avenues that we can go down to achieve the objectives of this bill, if the objectives truly are what the government are telling us they are. We had an investigation in this state, the Forsyth inquiry into labour hire, which came about because of some concerns for the employment of people in the horticultural industry, but this bill largely ignores the Forsyth inquiry. The bill ignores Forsyth's concern to ensure that the impact on the large proportion of reputable labour hire operators is minimised. This bill imposes huge administrative and reporting burdens on all labour hire companies.

Employers rely on labour hire in the horticultural industry because we have a very small window of opportunity to get the crops off the trees and processed. Particularly for our high-quality export fruit, it has to be picked when it is at its peak. They cannot wait weeks while they wait for workers to come. We rely on the surge capacity that comes via labour hire firms. If this bill is to go through and this scheme is to be introduced into Victoria, it will mean that labour hire firms will turn their backs on Victoria and take their labour interstate. It will put those of us in northern Victoria, the area that Mr Gepp claims to represent, at distinct disadvantage as the workers go across the border into New South Wales, and New South Wales will have a distinct advantage over Victoria because they will be able to get the workers, whereas Victorian growers will not be able to get their crops.

Crops will rot on the trees, as the crops rotted on the docks last December when Mr Gepp joined the picket line that prevented our fresh fruit being exported and prevented our milk being exported. Fresh fruit and milk were rotting in containers on the dock. Mr Gepp was part of that picket line that prevented those crops and exports being sent to where they should go, at huge costs to growers and dairy farmers in the Goulburn Valley.

I had the great pleasure of reposting Mr Gepp's post where he proudly said he was down at the docks picketing and preventing those crops from being processed and sent to where they should be, and it went feral — viral, sorry, not feral. It was feral, but it went viral throughout northern Victoria, with people being quite horrified that a member who claims to represent the horticulturalists and dairy farmers in northern Victoria would actually be doing something that hurt them.

Under this bill employers will face an unspecified and very high level of licence fees, as this scheme is intended to be fully self-funding, with costs running into millions of dollars. The government announced just \$8.5 million in funding, so the licence fee per licensed business is likely to be very high. The department could actually not provide any estimate of the intended licence fee when the opposition was briefed, so this is another reason why labour hire firms will not operate in Victoria. The sweeping definition of labour hire providers and workers may also catch many practices not generally regarded as labour hire, which is something else that is very concerning under this bill. The three-year licence period is a very short time and means operators will not have the necessary certainty to be able to invest and expand with confidence in their businesses.

This bill does impose huge and unnecessary paperwork and administrative costs on labour hire businesses, and it exposes them to arbitrary and unpredictable demands and burdens, which will drive many of our many reputable operators, particularly small operators, out of business and reduce flexibility and responsiveness. This will reduce job opportunities for Victorians and hurt many Victorian industries, particularly export industries in the horticultural and meat sector. The bill goes way beyond the recommendations of the government's own Forsyth inquiry, which recommended licensing for specific sectors only and seems intended as much for increasing union membership as for protecting vulnerable workers. The solution to the exploitation of workers by a handful of shonky operators in a small number of sectors by this government is to apply and enforce —

Honourable members interjecting.

Ms LOVELL — No, the solution to the exploitation of workers by a handful of shonky operators in small numbers of sectors is to apply and enforce the existing laws, which already set and provide protection for workers entitlements, not to set up a whole other level of bureaucracy that will drive up costs, drive down the availability of labour to get our crops off the trees, hurt Victorian businesses, hurt Victorian exports and in turn hurt the Victorian economy.

As I said, the exploitation of any workers is deplorable. None of us actually support that. We all support all workers being treated fairly and being remunerated properly, and I know that from discussions with my horticulturalists that is what they want to see. They want to see their workers protected, they want to see their workers treated properly and they want to see them remunerated fairly, but they do not want to see this bill come into place which will drive up costs, drive down the availability of labour and cause them a great deal of loss in their businesses.

The exploitation and trafficking of workers is a hideous and complicated web of issues. To thrive it actually relies on the lack of cohesion between state and federal legal systems, which will be exacerbated by this bill. It relies on complicated visa systems which are open to abuse and which will not be addressed by this bill in any way. It also relies on a lack of enforcement of visa conditions and support for those who have been manipulated into untenable visa situations, and that will not be addressed by this bill either.

11:32:30 It relies on a lack of understanding of workers rights and Australian workplace laws, and that will not be addressed by this bill either. It relies on a lack of support from services designed to support and inform workers about their rights, and that will not be addressed by this bill either. It also relies on a lack of support for the farmers utilising labour sources, and this bill actively targets farmers with targeted enforcement action and \$500 000 fines instead of giving them the support they need. A \$500 000 fine would be devastating to any farming business. It would drive them out of business. It would cost them their entire business, their entire life work and most likely their family home and their farm.

To thrive, the exploitation and trafficking of workers relies on overly complicated regulations with different requirements for different industries. That is actually deliberately exacerbated by this bill; it is deliberately introduced by this bill. The bill also relies on a lack of consistency between the protections for workers in

different industries, and that is also deliberately established in this bill. The horticultural sector has lobbied at the federal level for measures that will actually address exploitation and protect workers rights. They have lobbied for things like additional powers for the Fair Work Commission, and they are now in place. They have been successful in getting that. That has been put in place. They have also lobbied for additional Fair Work Commission enforcement investigations and the prosecution of exploitative labour hire companies. That is already being undertaken, and there have been recent results under that. They have lobbied for the establishment of an agriculture-specific visa to create a system to support workers, and further work is being done on that.

The Victorian Farmers Federation horticulture group is promoting the need for an amnesty for illegal workers to create a protected pathway for them to report exploitative behaviour without individual financial and visa consequences. Horticulturalists and other farmers want mistreatment stopped. They want to support the strengthening of the laws by supporting the Fair Work Commission. They cannot support the Victorian legislation that this government is seeking to introduce, because it will do nothing to protect workers and will only hurt the horticultural sector.

As I have said, my horticulturalists have been very active in talking to me about this particular bill. I know they would have loved to see Mr Gepp in the region and actually get to talk to him, but he very rarely visits our region. In fact just last week I got a call from someone who Mr Gepp had requested to meet with. It was someone in the government sector who he had rung up and said, 'I'd like to come up and talk to you'. They then rang me and said, 'Who's this bloke Gepp? We've never heard of him'. So that is how well-known he is in northern Victoria, because he actually lives in Oak Park. It is a big trip for him to come up to northern Victoria, and it is something he should actually do more often.

If he went up to northern Victoria — if he actually lived up there and mixed with the farmers, the horticulturalists and the businesses — he would know what we do and he would know what we need to do to support our horticulturalists and the rest of our farming sector. He would know how important it is to us that the 450 gegalitres of upwater is not taken from productive use in this state, and he might actually do something that supports the industries in northern Victoria and supports our export industries instead of going down and blockading the dock and stopping our exports from getting out of the country and into the markets, where they should be.

Northern Victoria is very important to this state's economy. We provide a huge amount of the state's exports. About 40 per cent of the exports that go out of the port of Melbourne are from the dairy industry, and our horticulturists produce a huge amount of fresh fruit that goes into markets in Asia and beyond. We want to support them to continue to do that. The primary thing our horticulturists need for their exports is for Labor to support them in getting their crops off the trees. This bill will actually hurt our horticulturists, it will hurt their ability to get their crops off the trees, it will hurt their ability to get their fruit into the export market and ultimately it will cost the economy of Victoria millions and millions of dollars because Labor has an ideological view about labour hire in Victoria.

Mr MORRIS (Western Victoria) (11:37) — I rise to make my contribution to the Labour Hire Licensing Bill 2017. This particular bill and its favouritism of the union movement is something that is very close to my heart, because it was actually the unions that got me first interested in politics, amazingly. I can still remember when I was about 16 and it was the school holidays. During every school holidays, for many years, I worked for my grandfather in his painting business. He normally did smaller jobs. He was just a small businessman with maybe four or five employees; however, he landed somewhat of a larger job, and this is where we ran into trouble. What happened was —

Mrs Peulich — Acting President, I would like to draw your attention to the state of the house.

Quorum formed.

11:40:00 **Mr MORRIS** — I was referring back to a few moons ago when I was working for my grandfather's painting company. It was just a small business, with maybe four or five employees, but he did manage to land a slightly larger job that had union influence. I can distinctly remember a day when there was a bit of commotion and some raised voices, at which point my grandfather came to me and said, 'Look, son, you're going to have to go home'. I looked at him quizzically and said, 'Why is that?'. He said, 'I'll explain it to you in the car on the way home'. We jumped in the car, and my grandfather explained to me that there was a union organiser who had turned up to the site and had found that I was not a member of the union. He threatened to shut down the job because there was a 16-year-old kid on his school holidays helping out in his grandfather's company. What a shameful act that was, but it is not unusual for the union movement to do these types of things. This type of thuggish behaviour is something that many small business people know all too well.

Ms Shing — What about those 16-year-olds that died on site — lost their lives?

Mr MORRIS — So you are going to ban 16-year-olds from working? Is that what you are going to do, Ms Shing? Are 16-year-olds who are not a member of the union going to be banned from working? It is the new policy of the wannabe minister over here. We have the unions that, rather than supporting workers, are more interested in the dollars they can bring in to feather their own nests. We need to look no further than the actions of one Kathy Jackson. When her actions came to light, Victorians and Australians could see what the union movement was really about. That is what they are about. They are about feathering those nests.

Can I say, back decades ago, the unions did a good job because what they were actually doing was looking after the worker. However, what we have nowadays are these powerful union powerbrokers who, rather than looking after the workers, are more interested in feathering their own nests. They are more interested in ensuring that they have influence within the Labor Party. They are more interested in having a say over preselections or even getting preselected themselves. What we have here is we have unions who are more interested in their own self-interest than —

Mrs Peulich — Acting President, I would like to draw your attention to the state of the house.

Quorum formed.

Mr MORRIS — Thank you, Mrs Peulich, for drumming up a crowd. What we do know about unions is that whilst they were once about workers rights, they are now about control and influence. That is what they are interested in now. If they cannot control something, they will destroy it. That is what unions will do. We need to look no further than the efforts of Mr Marshall, the secretary of the United Firefighters Union, who —

Mr Gepp — On a point of order, Acting President, as much as Mr Morris's contribution is entertaining, it has absolutely no relevance to the bill that is before the house. Whilst I am interested in him talking about his decades of work experience, given that he cannot even shave every three days or is not required to, could he please come back to the point?

The ACTING PRESIDENT (Ms Patten) — That is not a point of order. Please continue, Mr Morris, focusing on the bill.

Mr MORRIS — That was rather interesting, Acting President, wasn't it? It was indicative of the quality of the contributions of the member, I think.

Mrs Peulich — If that was made by a female, you would be in real strife.

Mr MORRIS — Well, this is very true. It is rules for some and not others. What I was talking about was obviously labour hire. I have had a number of constituents of mine make contact with me in regard to this bill who are exceptionally concerned about the impact that this bill will have on their businesses, because what needs to happen is those who are doing the wrong thing —

Mr Gepp — Have you read the Forsyth report?

Mr MORRIS — I have read lots of reports, Mr Gepp. People who are doing the wrong thing without a shadow of a doubt should be held to account, but the problem with this bill is that it is looking after the unions.

11:47:30 Thank goodness for the royal commission into the unions, which shone a light on the corrupt behaviour of so many unions in Australia. We know that union influence in Australia is stronger than in any other country in the world, and as a result of that —

Mrs Peulich — Despite their declining numbers.

Mr MORRIS — Despite their declining numbers indeed, Mrs Peulich. What we know is that through this influence Australia is becoming more and more inefficient, our productivity is dropping —

Mr Gepp — On a point of order, Acting President, as entertaining as this is, including hearing about the member's work experience back when he was a 16-year-old, can you please bring him back to the crux of the bill? This is just a rambling, wandering submission that is bearing no relevance whatsoever to the matters before the house. By happenstance I have a copy of the bill here. If he would like me to read it out loud for him, I am happy to, but I would suggest that he is —

The ACTING PRESIDENT (Ms Patten) — Thank you, Mr Gepp. That was not a point of order. Mr Morris, please continue, focusing on the bill.

Mr MORRIS — Yes, indeed, and that is exactly what I intend to do. The Labour Hire Licensing Bill 2017 certainly does extend the definition of labour hire services, including placing workers to be employed by an employer where the provider also arranges

accommodation and placing independent contractors where the provider also manages the contract. Prohibitions on offering or using unlicensed hire services carry large civil penalties. In terms of what needs to happen, labour hire companies need to act responsibly; they need to act responsibly, without a shadow of a doubt. I doubt any member of this house would argue against that fact. But the balance that we need to get right is the balance of ensuring —

Mr Gepp — Why don't we talk about the workers that are being paid \$8 an hour? Why don't you get onto them?

Mr MORRIS — Mr Gepp, for any worker who is being paid \$8 an hour there needs to be an investigation, and if an employer is doing the wrong thing —

Mr Gepp — How much did you grandpa pay you?

Mr MORRIS — That was a long time ago, Mr Gepp, a long time ago.

Mr Gepp — How much did your grandad pay you?

Mr MORRIS — Do you want me to go back, do you? Do you want me to go back and have a look? Thank you, Mr Gepp, I will go back, because that is actually what got me motivated about politics. Once I understood what unions were about — and indeed this labour hire bill is going to be protecting the unions — that is what I decided to do. I had a discussion with my grandfather. He said, 'Yeah, you've got to watch these unions, because what they'll do is they'll take your money and they'll tell you what to do', and that is exactly what they do. That is something that I will ensure that future generations will understand as well — that unions claim to be there for the worker, but —

Mrs Peulich — They're in it for themselves.

Mr MORRIS — They are in it for themselves. I could not have said it better myself. They are about feathering their own nest and looking after their own interests. If this bill —

Mr Gepp — On a point of order, Acting President, I do not know how many times I have to raise this, but Mr Morris is having great difficulty staying relevant to the bill before the chamber. He is just on this rambling wander through his life experience, and as important as it is —

The ACTING PRESIDENT (Ms Patten) — Thank you, Mr Gepp. It is still not a point of order. For

the next 1 minute and 44 seconds, if you could focus on the bill, Mr Morris.

Mr MORRIS — Thank you, Acting President, and I certainly was trying to focus on the bill. It was very difficult with Mr Gepp's interjections and with his asking me to go back for a wander through time on a trip down memory lane. It is quite difficult to do so with those interjections.

Mrs Peulich — And resorting to personal attacks.

Mr MORRIS — It was quite an extraordinary attack, wasn't it? It was quite an extraordinary attack that Mr Gepp did lay upon me.

Mrs Peulich — Was it racist?

Mr MORRIS — It may have been, maybe because of my Irish heritage, perhaps.

A Labour Hire Licensing Authority consisting of a single commissioner appointed by the Governor in Council with inspectors and other staff. Also, extensive information is to be provided in all licensing applications. This is where there are going to be added difficulties arising from this bill. The added difficulties are that the more encumbrance, the more red tape, the more burden that you place on employing people, fewer people get employed. This is the challenge —

Mr Leane — Are you trying to tell me that the labour hire companies aren't going to employ people?

Mr MORRIS — I am saying there are going to be fewer people employed. It is market forces. I am not sure if those opposite understand the market forces as they apply. If you put in more costs, you can employ fewer people. It is just the way it goes.

Honourable members interjecting.

Mr MORRIS — No, it is the way it goes. There is much for those opposite to learn, so I look forward to further speakers from this side teaching them as we oppose this bill.

Ms BATH (Eastern Victoria) (11:52) — I am very interested to speak on the Labour Hire Licensing Bill 2017 this morning. Before I get into discussing the actual bill, I would like to talk about some of the reasons that it is important to make sure that labour hire groups and industries do not exploit our young people and do not exploit people coming in from overseas, who are necessary particularly in our high-intensity horticultural industry to be able to provide that workforce.

The member for Mildura in the Assembly, Mr Peter Crisp, the tremendous advocate for his region that he is, a number of years ago identified the fact that there was an incredibly shonky, incredibly bad and incredibly unscrupulous person operating up in the Mildura area. He came to learn and understand that this person was exploiting people, and often they would be backpackers coming in from overseas. Over a two-year period, from 2013 to 2015, he gained a lot of information from those in the industry and from listening to those people who came into his office and he created a media campaign that enabled this person, this shonky, shonky labour hire person, to be exposed. The community got in behind Mr Crisp and created an atmosphere that in effect had that operation shut down and the person run out of town. That example certainly highlighted the fact that labour hire companies have in the past abused their operations and exploited workers, and we all agree that this is not acceptable. We particularly understand that on many occasions our horticultural industries need people to come in from overseas and fill that highly intensive gap where fruit must be picked during a certain window of operation.

I think Mr O'Sullivan highlighted that very clearly a little while ago and went into the detail around that pinpoint and high-intensity labour market that needs to be moved and operate very quickly to serve those horticultural and other industries so they are able to get their product to the docks and overseas in a tremendous form. That then provides additional revenue for our economy and our bottom line.

11:55:00

What this house should be doing is scrutinising and holding to account the government for the way legislation is written. This legislation should be necessary, it should be fit for purpose and it should be without extreme perverse outcomes across the broader community. But this bill does not actually meet those criteria. Setting up a new bureaucracy with associated enforcements, costs and licensing to manage an area that is already covered by state and federal laws is expensive and unnecessary. Indeed in recent times the federal laws have tightened in relation to outlawing these unscrupulous people, and I will go into that in a little while in my contribution. We do not need legislation to protect vulnerable workers, because the government should use and enforce the extensive laws that already exist. We have heard that as an argument on this side of the house.

While the government have been pushing for laws for three years, they are now behind the times. The Fair Work Commission has been acting against these unscrupulous employers and labour hire companies. This gatekeeper legislation is creating an extra layer of

Melbourne-based, city-centric bureaucracy and red tape. It provides extra jobs, certainly — we have heard about how we are having layer after layer of bureaucrats coming in — but it also double-checks farmers who are obeying all these laws that are already in place and are enforceable. So it is not fit for purpose, and the government is really buying off industries to stop them lobbying against this legislation by promising to consider exemptions in the regulations.

I am on the Scrutiny of Acts and Regulations Committee, and we regularly meet to go through a variety of regulations that have to be addressed that sit under those statutory regulations. Those meetings are quite intense and comprehensive, and a lot of background work goes into them. We know that good legislation sometimes requires some regulatory fixes, but this bill requires multiple regulations in order to insert some parts and remove others. This house really must question why legislation that requires so many regulatory exemptions and corrections is being presented. This is a perverse outcome, and it is going to be complicated through those exemptions for parties the Labor government feels they need over the next six months. It will have perverse outcomes, forcing small labour hire companies out of existence but also enabling those dodgy underground ones to flourish. We have seen this in other areas as well.

What I find very challenging is that it is often an easy target and an easy pick for the government to target farmers and not contract labourers. Enforcement of the operations will result in farmers facing huge fines — in the vicinity of \$500 000 — if they are in breach. These are farm-destroying fines. As Mr O’Sullivan brought very clearly to light, people often have a window of opportunity for harvesting, and that is their one source of income for the year, so if it ends up being not a good season and then for whatever reason they are lobbed with a \$500 000 fine, it will send our good people, our good farmers, no matter how fiscally responsible, to the wall.

As we have discussed, the exploitation of workers is certainly hideous and complicated. It thrives on a number of factors. It thrives on a lack of cohesion between the state and federal legal systems. This is actually exacerbated by this bill. It thrives on complicated visa systems, which are often open to exploitation. This is not alleviated by this bill. It thrives on the lack of enforcement of visa conditions and support for those who have been manipulated into untenable situations in their visas. This is not addressed in this bill. The lack of understanding by workers of their rights and of Australian workplace laws is not alleviated by this bill. There is no provision in this

legislation to alleviate the lack of support services designed to inform workers about their rights. There is a lack of support for farmers utilising those labour sources. As I have said, this bill actively targets farmers with enforcement action and huge and significant fines. It is overly complicated in regulations, with different requirements for different industries — that is, across the various farming industries and in other spaces of employment as well. The bill also establishes a lack of consistency between the protection of workers in different industries.

I know they have been apolitical, and I certainly respect them for that, but it is not often that the Victorian Farmers Federation (VFF) comes out so strongly against a piece of legislation. Certainly the VFF has come out in opposition to this bill. I commend them for usually sitting on the sideline and being observant and respectful of both sides, but they are seriously concerned that this legislation will impact their members and their people and that it will constrain them, putting them under such pressure. That has a flow-on effect on our regional areas, our schools, our schoolteachers and our own small businesses. This can have quite a deleterious effect on our regions.

Business interrupted pursuant to sessional orders.

QUESTIONS WITHOUT NOTICE

Mr O’Donohue — On a point of order, President, I have received a written response to the question I asked the Minister for Corrections yesterday about the commencement date for the procurement process for the new electronic monitoring contract. The minister has not answered the question in her response to me. She has merely confirmed what is already known and indeed what I had already said in questions to her — that the contract was extended in May 2016 when the three-year contract expired. The question related to when the procurement process began, not when the contract expired. As I said, that is already known, it has been referred to in other questions and it is a matter of public record on the Department of Treasury and Finance website.

The PRESIDENT — I am aware of that. I praise you for your enthusiasm. Normally we deal with these issues at the end of question time, and I will do that then.

Snobs Creek logging

Ms DUNN (Eastern Metropolitan) (12:04) — My question is for the Minister for Agriculture. Minister, the government-owned logging company, VicForests,

is planning on logging coupes along Snobs Creek, upstream of Snobs Creek Falls in the Rubicon. The Victorian Fisheries Authority has a research centre and hatchery for both native and salmonid species in Snobs Creek. This centre is responsible for stocking recreational fisheries across the entire state of Victoria. Logging Snobs Creek will put the Snobs Creek trout hatchery in grave danger, potentially leading to the partial collapse of Victoria's inland fisheries, as the stocking of Victoria's waterways will be affected. The predicted loss of 30 per cent of permanent water flow, erosion and sedimentation will have devastating effects on production and put jobs in the fishing industry at risk. Has the Andrews government conducted an analysis of the environmental, social and economic losses, including damage to fisheries, caused by the logging of Snobs Creek, and if not, why not?

12:05:00 **Ms PULFORD** (Minister for Agriculture) (12:05) — I thank Ms Dunn for her interest in the government's recreational fishing policy, Target One Million. The Target One Million policy has been a great success and continues to be. We committed before the election to increase our fish stocking efforts to 5 million a year. The previous level was more in the order of 3 million a year. Not only have the team at Snobs Creek reached that target of 5 million, they have well and truly exceeded it, and we recently reached the new record level of fish stocking of 6 million a year, which is amazing. There are waterways all over the state that are being stocked, including in some places for the first time. Rocklands Reservoir is going to be a very exciting new fishery in a number of years.

I know everyone here loves their job, but in early January I had my jeans rolled up to my knees standing knee-deep in the mighty Snowy River releasing fingerlings, and I thought, 'I might have the best job around here'. This was really another exciting milestone for our fisheries. And similarly I have been ankle and knee-deep in the water in Mildura and at many, many other locations across the state.

The ongoing work of the team at Snobs Creek is something the government certainly values; it is something we have got a great interest in the ongoing sustainability of. The resources there are certainly sweated; they are worked hard. I had the opportunity to pop in there a number of months ago, and they are working around the clock to maintain that level of activity in the fisheries. Of course this is all overseen by an advisory group, the Snobs Creek Advisory Board, which is chaired by Dave Kramer. I take the opportunity to thank Mr Kramer and other members of the committee for their stewardship of the fish stocking program.

Ms Dunn likes to relate everything to her disapproval of the native timber industry, but I can certainly assure Ms Dunn that we are absolutely confident about the future of the work that is undertaken for recreational fishers across the state at Snobs Creek, and I certainly look forward to their continued great success in stocking rates, providing opportunities for people of all ages, at all stages of their life and in so many different locations across the state to participate in recreational fishing. It is a wonderful pastime; it is one that we want to encourage more people to be partaking of more often.

The fish stocking program is just one part of the policy, which includes lots of other different initiatives in different locations, the centrepiece of course being the removal of netting from Port Phillip and Corio bays. That is well advanced, and just in April of this year nets were removed from Corio Bay for good. So we continue to deliver on our undertaking to recreational fishers, and on any concerns Ms Dunn has about the impact of the native timber industry I would encourage Ms Dunn to rest assured, because our government can walk and chew gum.

Supplementary question

Ms DUNN (Eastern Metropolitan) (12:09) — Thank you, Minister. To completely paraphrase, I am guessing that analysis is a no. Minister, the residents of Snobs Creek, the recreational fishing industry, local tourism operators and even the local Alexandra-Eildon branch of the Australian Labor Party — all of these groups — oppose the logging of Snobs Creek. Will you halt logging at Snobs Creek and listen to the concerns of the community and adjust the timber release plan accordingly?

Ms PULFORD (Minister for Agriculture) (12:09) — The timber release plan, as people who follow closely the ins and outs of the timber industry in Victoria know, is very soon to be released. It is due for an update, and consultation has been underway. The preparation of that is well advanced, and I hope to be able to release that in the coming weeks. I do tend to take on notice Ms Dunn's questions about coupe-by-coupe issues, but perhaps in this case what I would certainly assure Ms Dunn is that VicForests always consult closely and listen to local community interests and other interests in advance of any logging activity that occurs. There are very strict regulatory controls that exist to support the work that VicForests do in fulfilling their contractual obligations on behalf of the state.

West Gate tunnel project

Ms TRUONG (Western Metropolitan) (12:11) — My question is to the Special Minister of State representing the Minister for Energy, Environment and Climate Change. Two days ago I was cc'ed into a letter from community groups in my electorate. Community members advised that the Western Distributor Authority (WDA) only this week published a report by consultants Ecotech on air quality monitoring stations in Brooklyn, Spotswood and Yarraville. But this report seems to breach environmental performance requirement AQP4 as it only has data for 2017, it has nothing for 2018, it only has data for five of the six prescribed air quality monitoring stations and it was only supplied after contact was made rather than being supplied monthly. My question is: when will air quality monitoring data and analysis be published by the EPA monthly, as required by environmental performance requirement AQP4?

Mr JENNINGS (Special Minister of State) (12:11) — I thank Ms Truong for her question, which is a very detailed and very specific question such that it would be unwise for me, without being briefed on the subject, to speculate about the accuracy of the details she provided and whether in fact that does meet either statutory obligations or what would be the expectations of an assessment that supports planning scheme matters, approvals or other forms of statutory obligations of the EPA.

12:12:30 I should take advice on that subject. I should ask my colleague to respond to you on that. I appreciate the concern that you express on behalf of your constituents — in fact all people in Victoria — in relation to air quality and the confidence that we can actually have as a community about air quality matters for all of our citizens, including your constituents. So I congratulate you on your concern and that important consideration, but for the technical matters in your question I will rely on others to give the specific response.

Supplementary question

Ms TRUONG (Western Metropolitan) (12:13) — I thank the minister for his response and look forward to hearing more detail in relation to my question. Sadly, the data that has been published by the WDA, not the EPA as required, is without any plain English analysis or conclusions for a layperson to understand what the actual impact on the community may be. My supplementary question to the minister is: when will the community get timely access to full monitoring data and plain English analysis from all air quality

monitoring stations related to the West Gate tunnel project?

Mr JENNINGS (Special Minister of State) (12:13) — That is an excellent question. It is an excellent question because ultimately at the heart of the question is a desire for our citizens to be empowered and have knowledge that is available to them in a form that they can make sense of and use either in relation to their advocacy or in terms of taking action or mobilising to take action. In fact it is a feature of environmental information that quite often people find a great deal of difficulty getting their heads around the scientific validity of things that are evident to the vast majority of scientists or environmental regulators across this nation and across the globe, and because science is complicated and because sometimes those concepts are difficult to grasp we have a lot of people who live in denial of them and in fact use that denial and that ignorance as a justification for their political outcomes. That is not an issue that I would be supportive of, and I hope that our citizens are better informed with the science and the way in which they can understand that science for better public policy outcomes.

Dja Dja Wurrung parks

Mr YOUNG (Northern Victoria) (12:15) — My question today is also for the Leader of the Government, representing the Minister for Energy, Environment and Climate Change. Minister, a draft joint management plan for the Dja Dja Wurrung parks has been put forward for public consultation. This management plan is seemingly the first of its kind for joint management of public lands and includes several national and state parks in the Bendigo area. Concern has been raised about the joint management of these parks by certain existing user groups, who fear that it will impact who may use these public places. Will the government guarantee that no user group will be excluded or further restricted from access to these parks?

Mr JENNINGS (Special Minister of State) (12:15) — That is me. I thank Mr Young for his question. I was so ruminating on my previous answer that I did not quite realise the question was coming to me, but by the end of it I did.

The importance of any engagement that agencies on behalf of the minister for the environment and climate change actually undertake in terms of acquitting their obligations to protect environmental values or indeed to protect the rights of access and opportunity for our citizens to engage in sustainable practices and participatory practices across the natural environment is

something that is an essential feature of their consultation processes that they must embark upon in relation to access to parts of the Victorian landscape and what protection should be available to it and what opportunities should abound within that landscape. So your question goes to the heart of what the consultation process should be about. There should not be any prematurely ruling in or out of the access of any citizens, but there may be an appropriate assessment that says certain activities should be excluded, and I am sure even Mr Young would actually understand the circumstances of why this occurs.

So I will seek advice from my colleague about the way in which she can provide guarantees beyond my rhetorical commitment to them. She and her agencies have to demonstrate how that actually gets applied in practice, and I will invite her to do so.

Supplementary question

Mr YOUNG (Northern Victoria) (12:17) — I thank the minister for his answer. In the release of this draft plan the government is introducing a joint management system that includes one user group but not others. Can the government provide assurance that the interests of other user groups are being represented and included in management practices?

Mr JENNINGS (Special Minister of State) (12:17) — My answer to the substantive question and the supplementary question is exactly the same.

Residential care facilities

Ms CROZIER (Southern Metropolitan) (12:18) — My question is to the Minister for Families and Children. Minister, earlier this month the Children’s Court heard a case of two young offenders at a south-east residential care facility allegedly stealing one of the facility’s vehicles and joyriding through Dandenong North. As part of the young offenders’ bail conditions they were ordered not to associate with each other. However, your department stated it had no intention to remove either of the young offenders from the facility. Can you advise whether the department has adhered to the court’s rulings to remove the two young offenders from contact with other or whether, in contravention of the court’s ruling, both offenders remain at the same facility?

Ms MIKAKOS (Minister for Families and Children) (12:18) — I thank the member for her question. I can advise the member, as I have on previous occasions, that matters that come before the Children’s Court jurisdiction — whether they are in the

family division or in the criminal division of the Children’s Court — are subject to legal restrictions under the Children, Youth and Families Act 2005 in relation to what I and others can say in relation to these matters. There have been longstanding legal restrictions that have applied, during the previous government as well, and certainly the previous minister sitting next to you would be well aware of those. Therefore there are difficulties in going into details in relation to matters that could potentially identify young people, particularly as the member has sought to couch this question in a way which puts a geographic, I guess, context to the young people involved.

What I can say to the member is that when we came into government there were in fact very few staff in the department who were available to supervise young people on bail. In fact this is a matter that we have addressed, both in terms of investment and legislative changes that we have put in place in relation to bail. We have put in place an intensive bail supervision scheme with additional staff in place.

Ms Wooldridge interjected.

Ms MIKAKOS — In fact, Ms Wooldridge, you just demonstrate all the time that you actually did not know a great deal when you were minister, because in fact this is something that we funded in last year’s budget. In fact —

Ms Wooldridge interjected.

Ms MIKAKOS — Right; okay. Well, you really, really have no clue, Ms Wooldridge, because with this great reform that you claim you put in place, when we came into office there were about two or three staff members, from memory, for the whole state of Victoria to supervise young offenders on bail.

Ms Crozier — On a point of order, President, my question was very specific, and I would ask you to ask the minister to come back and answer it with the remaining 53 seconds.

Ms Shing — Further to the point of order, President, the minister was in the process of answering the question, and due to interjections the door has actually been opened to discussing a wider range of issues because of the material that has been coming from the other side of the house. You cannot have it both ways.

The PRESIDENT — I actually concur with Ms Shing and her point of order. The minister was providing an answer. To my view she had not actually satisfied the question in terms of that answer, and so it is on my mind at this stage to require a written response

if in the next 53 seconds I do not get a response that indicates whether or not the court order is being followed, which is the central matter. I am not interested in any of the other things. I just want to know from a systemic point of view whether or not the government has complied with a court order. That is the nub of the question. But there is absolutely no doubt, as Ms Shing has rightly pointed out, that the interjections basically opened the door for the minister to talk about other things. In my view the minister has been a little bit restrained today in debating after the admonishment of yesterday, and I congratulate her on that. But she was certainly being provoked by interjections to actually stray from her answer. It makes it very difficult for me to enforce a situation in which I ask her to come back to the question when in fact the interjections take her in a different direction.

Ms MIKAKOS — Thank you, President, for acknowledging that I am being very helpful to you today. I certainly hope that will continue at least to the conclusion of today’s question time. I cannot promise anything beyond today. But what I can say, to be clear here, is that in the 2016 budget update we put in \$6.5 million of additional funding to supervise young people on bail. Ms Wooldridge may not be aware that we have invested in a new intensive bail supervision program that did not in fact exist during her time. We are putting in place a range of reforms to ensure that young offenders, whether in the community or in custody, can be properly managed and supervised and assisted to be rehabilitated.

Supplementary question

Ms CROZIER (Southern Metropolitan) (12:25) — I note the minister has failed to answer yet another question. Minister, the court also heard that this young offender threatened to light on fire a fellow residential care child, and when the police were called then threatened to burn down the residential care facility. Given the court has heard that the decision to place both young offenders — who have lengthy criminal histories — at the same facility was described as really silly and counterproductive, what security enhancements have been made at the facility to ensure that these types of crimes and threats do not occur again?

Ms MIKAKOS (Minister for Youth Affairs) (12:26) — I have already referred to some of the legal issues in my substantive answer, but what I want to say to the member is that what we have seen for four whole years is her coming in here and asserting that young people in out-of-home care, particularly those in residential care, are somehow prone to criminal

behaviour. I absolutely reject that, because we have got some very vulnerable and disadvantaged young people in our out-of-home care system, and they deserve to have our support and confidence to have good outcomes. That is why we have been reforming the residential care system. We have created new models, more intensive support in terms of mental health support for young people in residential care and, most importantly, targeted care packages that have seen more than 500 young people transitioned out of residential care to live with loving families. We are putting in place the mental health supports and other supports that young people need if they are in residential care.

Lara prison expansion

Mr O’DONOHUE (Eastern Victoria) (12:27) — My question is to the Minister for Corrections. Minister, in 2014 you, Daniel Andrews and Labor criticised and opposed the proposed new coalition procured and funded Ravenhall prison. Last night Infrastructure Partnerships Australia awarded the Ravenhall prison project the prestigious Project of the Year award. The 1300-bed Ravenhall prison was constructed at a capital cost of \$670 million or a cost of \$515 000 per bed. Minister, you have announced in the budget that a new 700-bed prison will be constructed for a cost of \$689 million or \$985 000 per bed. Why is it costing nearly twice as much per bed to build the Lara prison compared to the award-winning Ravenhall prison?

Ms TIERNEY (Minister for Corrections) (12:28) — I thank the member for his question. It is a question that I think has the attention of a number of people. Firstly, can I say that in this state the average cost per bed per day is around \$304, which is higher than the national average, and we also have a lower imprisonment rate than the average. The fact of the matter is that the 700-bed maximum security prison that will be built near Lara is a maximum-security prison, and it will have a range of services that are fit for purpose with respect to a maximum-security male prison. That is why the cost of the prison is what it is. The fact is that building prisons does cost money, particularly maximum-security prisons, Mr O’Donohue. If we want to have prisons that are secure, if we want to have confidence in the correctional system in this state, then it is obvious that we need to ensure that we have got services, rehabilitation and perimeters so that we have an expansion program that is properly managed and indeed will assist in reducing recidivism in this state.

12:30:00

Supplementary question

Mr O'DONOHUE (Eastern Victoria) (12:29) — Minister, I thank you for that answer, but I do note the Ravenhall prison has double the mental health capacity of the male prison system and has a number of other specialist units that have system-wide applicability and therefore have increased the cost to that \$515 000 figure, so the new prison you are talking about is no different or no more special in that regard. So I ask by way of supplementary, Minister: noting the recent Auditor-General's report that found that private prisons are approximately 20 per cent more efficient to operate than public prisons, what consideration did you give to running a competitive open market process for the build, the facilities and the infrastructure management or the operation of the new Lara prison before deciding to rule out the private sector?

Ms TIERNEY (Minister for Corrections) (12:30) — I thank the member for his question. We as a government did consider a range of elements of that report and there were a number of discussions, and there were not just discussions but a number of modellings were done within the Department of Justice and Regulation. There were further discussions held with the central agencies, and as a result of the outcome of that work it was decided that this was the most efficient way of going about building a new 700-bed men's prison.

Service Victoria

Mr RICH-PHILLIPS (South Eastern Metropolitan) (12:31) — My question is to the Special Minister of State. I refer to an article published by iTNews last week which quotes the chief customer officer of Service Victoria as saying:

We know from our own research we don't have to be as good as the private sector.

Minister, does that reflect the government's attitude on the rollout of Service Victoria?

Mr JENNINGS (Special Minister of State) (12:31) — No, because the expectation that I would have is that the things that we actually provide nobody else can provide. In fact I would actually have the expectation that we would strive to do better than what the benchmark would be. Without the context of the rest of what is in that article I am unable to really comment on the context in which that comment would have been made, but I do not think that that should be a limit of expectation that we have of our performance and our ability to deliver a better service to the people of Victoria.

Supplementary question

Mr RICH-PHILLIPS (South Eastern Metropolitan) (12:32) — I thank the minister for his response. I can tell the minister the context was essentially the chief customer officer indicating that the expectations of the public were of a lower level of service provided for public services than for private services. The article went on to quote that:

They (citizens) don't want a platinum service, they just don't want it to be horrible.

So I ask: does not being horrible now represent the benchmark of service delivery standards from Service Victoria?

Mr JENNINGS (Special Minister of State) (12:33) — President, you would have noticed, and the whole chamber would have noticed, Mr Rich-Phillips's self-correcting question. Because in fact rather than actually saying the expectation of the officer was that we would not provide a better service, he actually commented on the fact that the default position of the public may be that before we improve our services they would expect us to fall short of those standards. That is what the comment was about. It is not the expectations that we set for ourselves, it is the view of the public that we have to work determinedly to turn around.

The first step of turning that around is actually delivering the online platform and capability that we have not had, that Mr Rich-Phillips would have liked to have delivered if he had stayed in government. He would have liked to have delivered that capability that we are delivering. He is disappointed that in fact he was denied the opportunity to build this capability. We are determinedly building this capability, we will deliver better service and the community's expectations will rise as they see an improvement in the capability we deliver.

GOTAFE

Ms LOVELL (Northern Victoria) (12:34) — My question is for the Minister for Training and Skills. Minister, in light of your answers to my questions on Tuesday regarding GOTAFE, and more specifically your written answer that stated that there were no plans for a redundancy program, can you please explain what GOTAFE's workforce optimisation project, commonly referred to as 'WOP', is?

Ms TIERNEY (Minister for Training and Skills) (12:34) — The question that Ms Lovell is asking is a highly operational matter that would be dealt with by management and the board of the TAFE. But I have got

to say I am getting a little bit tired of members coming in here and attacking TAFE, and particularly GOTAFE.

GOTAFE has gone through some difficult periods, and indeed, as I said, I will be making a statement at the end of this week. I am waiting for briefings to occur with the chair of the board and indeed other members of the board. I am also wanting members of staff to be taken through the findings and the statement because I, like many people on this side of the chamber, have had experiences where there are matters that directly affect your own workplace and you find out about it through other people or the media. So unlike the bad practices that are often used, I have implemented a communication strategy that will be rolled out today that will enable the staff to see the findings of the report and indeed a way forward so that GOTAFE can implement the findings of Mr Watson's report and get on with the business of providing post-school vocational education and training in the Goulburn Valley — courses that will be free on 1 January next year.

Lots of young people in regional northern Victoria will be queueing up and wanting to participate and enrol in GOTAFE, unlike what their options were when those opposite were in government. We are very proud of our track record when it comes to TAFE. We are making sure that we have got great, high-quality provision of TAFE in this state no matter where you live.

12:37:30

Supplementary question

Ms LOVELL (Northern Victoria) (12:37) — I take the minister's answer as confirmation that there is a redundancy program. Minister, is it not a fact that the unions have been notified of the workforce optimisation project, a redundancy project with a target of five redundancies per month, of which eight have already been achieved, and that you have actually misled the house?

Ms TIERNEY (Minister for Training and Skills) (12:38) — There are no bounds to attacking TAFE when it comes to Ms Lovell. The advice that I provided Ms Lovell with earlier this week is that there is no redundancy program. That is the advice I have received. I also answered a number of other questions. The answer is that there are no senior management positions vacant. She came in and claimed that there were. There are not; there is only the CEO position, which is currently before a panel that the deputy secretary of the higher education and skills group is sitting on. The other allegation you made is that there have been massive staff cuts. The fact of the matter is that there has been an additional 22 full-time affected

staff members. So you can keep on coming in here and making allegations —

Honourable members interjecting.

Ms TIERNEY — You can keep on asking and putting forth these allegations. You are doing nothing for your community. You are just trashing your GOTAFE.

TAFE funding

Mr MORRIS (Western Victoria) (12:39) — My question is to the Minister for Training and Skills. In a Public Accounts and Estimates Committee (PAEC) hearing last week you confirmed that the Andrews government's free TAFE policy is in fact not entirely free. Can you detail the average out-of-pocket cost each student will need to pay for your misleading free TAFE courses?

Ms TIERNEY (Minister for Training and Skills) (12:40) — I thank the member for his question. I am really pleased that he is so enthusiastic about the 30 free TAFE courses that will be introduced into Victorian TAFEs on 1 January. The fact of the matter is that the same Victorians who are eligible for government-subsidised training under Skills First will be eligible for free TAFE courses. It is important to note that students will be able to access this initiative once. Students will be eligible to access this initiative if they are under 20 years of age or are seeking to upskill if over the age of 20. Victorians can also apply for an exemption for access to free TAFE if they are a retrenched worker, part of the automotive supply chain or are clients of the state's Jobs Victoria network. Students will still be required to pay materials and amenity fees. This is analogous to the government's school funding policy, whereby additional items that the students consume or take possession of — for example, tools, books or uniforms — are covered by the individual or the parent.

Honourable members interjecting.

The PRESIDENT — Order! Mr Dalidakis, you are sitting right next to the minister who is trying to answer the question and provide information to the house, and it really is not helpful to have you, therefore, talking across the house, fairly loudly, when the minister is trying to answer the question. Ms Wooldridge, in engaging with Mr Dalidakis, is also not being helpful to that process.

Supplementary question

Mr MORRIS (Western Victoria) (12:42) — Thank you, Minister, for that response that did not include an answer to the question. Minister, a number of Labor MPs are distributing free TAFE taxpayer-funded DLs throughout their communities, detailing that students would not need to pay a cent. Given your confirmation at PAEC, and again today, that there is still an out-of-pocket cost for each and every student that enrolls, can you guarantee that there will be a full cost disclosure of any advertising undertaken by TAFEs?

Ms TIERNEY (Minister for Training and Skills) (12:43) — Well, well! What don't you understand? It is free tuition — free tuition, something that you could not even get your tongue around. You certainly cannot get policy around it.

Honourable members interjecting.

Mrs Peulich — On a point of order, President, I hope that you will consider the answer when, at the end of question time, you decide which questions do need further explanation, because free tuition is not the same as free TAFE.

Honourable members interjecting.

The PRESIDENT — Order! I think we have had enough rehearsing for the weekend's football.

Ordered that answer be considered next day on motion of Mr MORRIS (Western Victoria)

TAFE funding

12:45:00

Mr FINN (Western Metropolitan) (12:44) — My question is to the Minister for Training and Skills. Minister, what advice have you received from your department on the impact on private training providers of the government's 'not really free' TAFE?

Ms TIERNEY (Minister for Training and Skills) (12:45) — I do thank the member for his question because there again seems to be a fair bit of mystifying tales that are occurring in this respect. There have been a couple of registered training organisations that have contacted the department, as I am aware, that have wanted clarification on what this means. There have been one or two meetings in respect to that, and we have said that if you have got concerns, we will sit down and talk to you, but the fact of the matter is that there is very little impact in terms of the initiative that we have taken in terms of free TAFE. Thirty courses in free TAFE that will be available on 1 January next year

in this state will have very little impact on the private provider sector, as we understand it.

The thing that needs to be understood is that whilst we are allocating \$172 million towards free TAFE in 30 courses, there is \$304 million available for more than 30 000 additional training places in Victoria across the vocational training sector, and this seems to be a mental block in terms of those opposite — 30 000 additional training spots, contestable in the Victorian training market. Once we actually take people through that, then the penny drops and they understand that they are still in a contestable market. There have been some deliberate lies told by some that they are being cut out, and we make no excuse that our policy initiative is to put TAFE back into the heart of the training market — for it to be the engine to allow people to come in, acquire the skills and go out and get a job. We are absolutely proud of what we are doing in TAFE. You tried to kill it off. We have stabilised it, and now we want to make it grow. And we will, because people understand that TAFE is important, skills are important and getting a job is important too.

Ms Crozier — On a point of order, President, I know Ms Tierney was doing a lot of gesturing indeed throughout the answer that she just provided to Mr Finn, but I would ask that you review the video and just see what her last gestures were to the opposition. It was pretty obvious what you just did, Ms Tierney.

Mr Dalidakis — Oh, come on. Seriously? Grow up.

Ms Crozier — Yes, seriously, Mr Dalidakis. I would like the President to review it, and I am asking him to review it.

Honourable members interjecting.

The PRESIDENT — Are we all done?

An honourable member — Almost.

The PRESIDENT — Almost is not good enough. Can I first of all indicate that, Minister, I do not want pointing as part of an answer. If any of the ministers really have a need to point, then point at me and I will determine whether or not I think that it is an appropriate gesture. In other words, remarks should be made through the Chair, and the reason for that is obviously to ensure that there is a degree of sensibility in terms of those remarks. We are very clear on that, and I was certainly going to make a comment about the gestures generally. I will have a look at the videotape on the basis that I hope the last gesture was not one that I would consider unparliamentary.

Can I just indicate that yesterday we saw some media coverage stemming from an interchange in the house, which just reminds us all, I think, that we do need to be disciplined because something even by way of a humorous comment can easily be taken out of context. I am not suggesting yesterday was a humorous comment; I am not diminishing it in that way. I am simply saying that things can be taken out of context and that remarks made here can have repercussions for all members of Parliament and for the regard that the community has for us as members of Parliament doing the work that we are supposed to do on their behalf. I think we all do need some self-discipline in that respect. A comment that seems clever at the time or seems to capture a situation can get out of hand and can, out of context, cause a lot of grief to people. We do need to be careful, and obviously gestures as might have been suggested would also fall into that same framework.

Ms Crozier — On the point of order, President, I am pleased that you are going to be reviewing the video, but I would ask that you ask Ms Tierney to withdraw.

The PRESIDENT — Withdraw what?

Ms Crozier — The gesture.

Ms Tierney — On the point of order, President, There was no gesture, and I look forward to you reviewing the video.

12:52:30 **Mr Morris** — On the point of order, President, there was quite clearly a gesture. The gesture was quite threatening and, I believe, directed at me. I understand the minister finds it uncomfortable when her failings are pointed out to her, but she should not be directing threatening behaviour across the chamber due to her own failings. It is a disgrace. She is supposed to be a minister of the Crown. She should absolutely withdraw those gestures she made across the chamber.

The PRESIDENT — I do not know how you withdraw a gesture. I have absolutely no idea.

Mr Leane — I have got a suggestion: watch the tape backwards.

The PRESIDENT — That actually did occur to me. Just think what our constituents would think. Are they tuned into the internet about this sort of interchange? Is this really what they expect of us? I have indicated I will have a look at the tape, and Ms Tierney is quite comfortable with me looking at the tape. I see no reason for me to request her to withdraw. I do not know whether there was a gesture. I was watching her and I did not see anything. I have got a different perspective

to what you have got, so maybe it came across in a different way. Maybe it was not even deliberate. It is an interpretation situation.

Honourable members interjecting.

The PRESIDENT — I am still on my feet, by the way. I am prepared to have a look at the video, and I will consider then whether or not as courtesy to the house Ms Tierney might make some remark, but I am certainly not ordering a withdrawal at this stage.

Supplementary question

Mr FINN (Western Metropolitan) (12:54) — Minister, private training providers have stated that expansion plans to invest in new facilities have been cancelled. Others have stated that allied health course offerings to meet skill gaps in Victoria are now on hold. Others have stated they will close down, while others state jobs will be slashed. Minister, can you guarantee that this policy of not really free TAFE will not mean a loss of investment in Victoria, a reduction in education jobs in Victoria, vocational education and training moving interstate to the benefit of New South Wales and South Australia and education facilities closing down?

Ms TIERNEY (Minister for Training and Skills) (12:55) — I reject the premise of this question, and again I take the member to the \$304 million that this government in the current budget has allocated for over 30 000 additional student places in this state. It is contestable, it is for private providers, it is for industry providers, it is for Learn Locals — it is for a whole range of training providers in this state. The fact of the matter is that we are ensuring that there is a very healthy training system in this state. There are many states that are now starting to look at this state when it comes to a changed direction in the provision of vocational education and training. We are proud of our \$172 million investment in free TAFE. We are proud of the \$304 million being put into contestable additional training places. We are proud of the \$120 million capital investment in TAFEs at Morwell and Sale that were not mentioned last night.

QUESTIONS ON NOTICE

Answers

Mr JENNINGS (Special Minister of State) (12:56) — There are six written responses to questions on notice: 11 490, 11 513, 11 535, 11 557, 11 579, 11 768.

QUESTIONS WITHOUT NOTICE

Written responses

The PRESIDENT (12:56) — In respect of today's questions, in relation to Ms Dunn's supplementary question to Ms Pulford, the minister has indicated she would be prepared to seek some further information; that is one day; Ms Truong's question to Mr Jennings, the substantive and supplementary questions, two days as it is to a minister in another place; and Mr Young's question to Mr Jennings, the substantive and supplementary questions, two days as it is to a minister in another place.

Ms Crozier question to Ms Mikakos, the substantive and supplementary questions, one day. I am mindful that the minister was concerned about any opportunity to identify people as part of a response. I accept that that is a valid concern, but I think in both cases the answers sought should be seen in terms of a system or the way in which the operations are conducted rather than being about the individuals. While there were some individuals mentioned, not by name but in a way that the minister had concern, and they were part of a preamble to obtaining information on the systemic aspect, if the minister is to provide that written response, it is only in that respect that I seek that response.

Ms Lovell's question to Ms Tierney, the substantive question, one day; and Mr Morris's question to Ms Tierney, the substantive and supplementary questions, one day.

Mr O'Donohue — On a point of order, President, I will give you a brief precis. The answer the minister provided to my question yesterday about the date the procurement process for the new electronic monitoring contract commenced has not been provided, and I ask that the question be reinstated.

The PRESIDENT — Order! Mr O'Donohue gave me the courtesy of providing me with a copy of the question. I have had a look at it and I do believe that it ought to be possible to indicate a commencement date. The rollover of a contract or extension of a contract has very little to do with, I think, the matter that was raised, so therefore I do reinstate that substantive question for a further written response from Ms Tierney.

13:00:00 **Ms Crozier** — On a point of order, President, I am bringing to your attention the response that I received from Ms Mikakos to the questions I asked yesterday. In relation to her answers, I was actually asking about the numbers of unallocated cases. The minister's response

provided to me today again has the percentage figures, which she provided in her answer yesterday. She is clearly defying your rulings about a proper response, so I would ask that both questions be again reinstated for consideration, please.

The PRESIDENT — In respect of both the substantive and supplementary questions, I am of the view that the answers to the questions asked of Ms Mikakos on 24 May 2018 do not adequately address those two matters, so I reinstate both the substantive and supplementary questions for further written response. The minister has used a percentage figure, and I sort of understand that. We did have that yesterday, but I think giving numbers is appropriate.

Ms Crozier — On a further point of order, President, in relation to the answer I have received from the minister to a supplementary question in particular about which organisations were involved with the incident at Malmsbury that occurred last week, in the minister's response she has provided a program run by Reclink Australia, but it is my understanding there are around 400 organisations involved in that. The question was fairly specific, and I think that again the minister's answer is completely inadequate, and I ask that that be reinstated as well.

The PRESIDENT — In regard to that supplementary question, unfortunately the question is too specific, because in fact the question asked about organisations working with vulnerable young people from Bendigo. The minister has said in her answer that Bendigo is not where they came from, so the question is quite specific and the minister has quite specifically answered that question.

Ms Dunn — On a point of order, President, in relation to a question I asked the Minister for Agriculture earlier this week, my question was framed as a time period, being the week beginning Monday, 7 May, and has been answered as though it only referred to 7 May, so I ask that that question be reinstated.

The PRESIDENT — I actually do not have that one in front of me, although the Clerk does. We will have a look at it, and I will make a determination on that a little later this day.

Sitting suspended 1.03 p.m. until 2.04 p.m.

14:05:00

CONSTITUENCY QUESTIONS

Eastern Metropolitan Region

Ms WOOLDRIDGE (Eastern Metropolitan) (14:04) — I rise to ask the Minister for Police to detail what specific measures are being undertaken by local police to turn around the highly worrying problem in the Eltham community — that of increasing crime. Violence is an issue that deeply concerns residents, and it is one which has become a hallmark of Labor, Daniel Andrews and his government. According to the crime statistics, crime is up 8 per cent in Banyule and 13.4 per cent in Nillumbik since the election of Daniel Andrews, yet Victoria Police staffing data up to December 2017 showed the Nillumbik police service area is down 8.3 per cent and the Banyule area is down 5.5 per cent when compared to November 2014. There are nearly five police officers in Nillumbik and nearly six in Banyule.

Recently the Liberal candidate for Eltham, Nick McGowan, met a Montmorency resident called John who has lived locally for more than 40 years. Recently three balaclava-clad attackers broke through his front door and ransacked his home. They might have got away with more of his belongings, but a lookout alerted them to John arriving home. They then rammed John's car and took off. John and his family were left distraught and distressed. We need to ensure there are enough police to keep our community safe. I ask the minister to tell Eltham residents how the government plans to do so.

Southern Metropolitan Region

Ms FITZHERBERT (Southern Metropolitan) (14:05) — My question is to the Minister for Sport, and it relates to the announcement made through the budget and in the minister's media release titled 'Better sportsgrounds for more Victorians'. I see that the State Sports Centre has been allocated \$13.7 million to:

... support the Melbourne Sports and Aquatic Centre, State Netball and Hockey Centre, and Lakeside Stadium to encourage more Victorians to get active, and assist the Victorian Institute of Sport help more Victorians represent their country.

I am interested in knowing what proportion of the \$13.7 million is going to community sports and locals who want to 'get active', in the terms of the press release, and what specifically the funds will be spent on and in what time frame?

Western Metropolitan Region

Ms TRUONG (Western Metropolitan) (14:06) — My constituency question is for the Minister for Roads and Road Safety. It appears that the West Gate tunnel project community liaison groups are either phantom or excluding the very residents who were very keen to monitor the impacts of construction on their families. Members of the Spotswood, South Kingsville and Brooklyn communities are increasingly concerned that they have not had transparent and readily accessible avenues for raising questions and concerns about the construction and monitoring of this project. My question to the minister is: how many community liaison group meetings have been held since the West Gate tunnel project works hastily began in 2017 and on which dates?

Northern Metropolitan Region

Mr ONDARCHIE (Northern Metropolitan) (14:07) — My constituency question is for the Minister for Roads and Road Safety, and it concerns Plenty Road in the Northern Metropolitan Region, which runs from Preston all the way to Whittlesea, outside my electorate. This is a very important commuter road, especially for those who live in South Morang, Mill Park and beyond in Mernda in that very important growth corridor. Local residents are tired of being late for work every morning because of congestion and tired of spending too much time getting home and not enough time with their family. There has been a shift in the budget, as the amount of money, \$10 million, that was in stage 2 has been transferred to stage 1 of the project, which indicates that costs have already blown out. My question to the minister, so I can tell my local residents, is: can he advise me what the total cost of the project is going to be and whether it will be completed on time?

Western Metropolitan Region

Mr FINN (Western Metropolitan) (14:07) — My constituency question is to the Minister for Local Government, and as I am sure the minister is acutely aware, it is not so long ago that the Brimbank City Council's name was mud. During the years of the Suleyman empire, Brimbank became synonymous with factional pay-offs, backbiting, bullying and assorted shysterism. It was so bad that the Brumby government sacked the council in the wake of a damning Ombudsman's report. Since the return of the elected council, Brimbank appeared to be getting its act together — until this week. Brimbank council's campaign to change the little man in the traffic lights to a little woman puts at risk the council's credibility. It is

extraordinary for any council to become involved in such nonsense when so many real problems need to be addressed. Will the minister counsel Brimbank council in an attempt to get it back to concentrating on its real job?

South Eastern Metropolitan Region

Mrs PEULICH (South Eastern Metropolitan) (14:09) — My constituency question is for the attention of Mr Donnellan, the Minister for Roads and Road Safety. It is very disappointing that following the completion of the Kingston leg of the Dingley bypass, which the former coalition government had committed, designed and funded — but Mr Donnellan ended up cutting the ribbon — the next stage, which will complete this very important piece of infrastructure for the south-east, the extension to the Dandenong bypass, has been off the radar. This failure to connect the industrial traffic as well as commuter traffic between the South Gippsland highway and freeway affects the residents of Narre Warren South, Cranbourne and Keysborough. The Liberal candidate for Narre Warren South, Cr Susan Serey, and Darrel Taylor, the candidate for Keysborough, have been asking when this project is going to be funded and when it is going to be completed, because it is vital for the south-east, which is being absolutely suffocated by traffic congestion.

Eastern Victoria Region

Ms BATH (Eastern Victoria) (14:10) — My question is for the Minister for Families and Children. A constituent in my Eastern Victoria Region is a kinship carer and a grandparent. This grandparent has looked after this particular child since birth, and the child is now over three years old. At about three years old, the child was asked to have an access visit with the father through the Department of Health and Human Services (DHHS). The department then took the child to visit the father, whom they had never visited before, and what happened was that the child has not been returned at all. The constituent has requested a review of why this would occur and why the child would not be returned to the grandparent. My constituent claims that the review process was impeded by DHHS, who withheld available documents from the reviewing officer. My question is: on what grounds are documents withheld from reviewing officers by the DHHS?

Western Victoria Region

Mr RAMSAY (Western Victoria) (14:11) — My constituency question is to the Minister for Roads and Road Safety. I have actually brought up the matter that I want to raise as a constituency question in an

adjournment debate many months ago, but unfortunately I have had no response from the minister, so my vain hope is that maybe this will do it for a response. The issue around the intersection of Presidents Avenue and Orton Street in Ocean Grove is one I have raised many times on behalf of the local community, particularly on behalf of the mother of a child who was very nearly killed at that blind spot at that intersection. I have pleaded with the minister to direct VicRoads through Mark Koliba, the south-west manager, to make safe that intersection, because it is particularly dangerous and a very bad blind spot. So again I am asking the minister to direct VicRoads to put safety upgrades on that intersection to protect the local community.

Southern Metropolitan Region

Mr DAVIS (Southern Metropolitan) (14:12) — My constituency question is for the attention of the Minister for Public Transport in the other place. I have received correspondence from Russell Lucas, a resident of Hughesdale. He says:

I am reaching out because I am frustrated by the lack of transparency with the delivery of the Hughesdale station rebuild for sky rail.

We were told at the public forum the station would be closed for 9 months (a surprise to us all) and open mid-2018. The posters I pass every day at Richmond station still advise the station will open mid-2018.

LXRA now advise 'later in the year' ...

and yet I hear dates in mid-June as to when some of the stations will be opened and that the so-called sky rail will be operational in part at that time. What he is asking is: when will it be opened and why has it taken so long? That is my question to the minister: why has Hughesdale taken so long, given the approach the government has said would take a lesser amount of time?

LABOUR HIRE LICENSING BILL 2017

Second reading

Debate resumed.

Ms BATH (Eastern Victoria) (14:14) — Prior to question time I was making some commentary around the Victorian Farmers Federation (VFF) and their great concern around the Labour Hire Licensing Bill 2017, so I just wanted to provide a little bit of context as to their situation and their concerns.

I will read from a briefing paper that they provided to me in relation to some of their concerns. They say:

The scheme —

this new scheme —

will require all persons providing labour hire services in or from Victoria to be licensed under a self-funding state scheme. The bill includes many provisions which will simply further complicate Victoria's agricultural labour crisis while doing little to protect vulnerable workers.

Exploitation of workers is already illegal with many civil and criminal laws in place to prosecute offenders.

It talks specifically about the horticulture group, which we know is so reliant on a huge influx of labour to be able to pick their crops:

The VFF horticulture group maintains our concerns that a licence won't stop exploitation especially without other measures such as a federal agricultural visa and an amnesty.

The VFF horticulture group maintains its position that there are a significant number of laws and regulations already in place ...

So they certainly do not believe that this is a fix-all bill as the government would have us believe. It also then goes on and quite rightly points out that since this bill has come into the Parliament there has been a great deal of work in the federal sphere, and it talks about a report from an extensive federal inquiry called *Hidden in Plain Sight — An Inquiry into Establishing a Modern Slavery Act in Australia* that was released post this bill being introduced. Therefore in effect the bill does not take into account the inquiry findings or recommendations that need to be considered. It is basically saying it is old and it is not required.

Really, when we peel it away and look at it, it is actually paying homage to the very strong unions that operate throughout our state. Those smaller labour hire companies may well be squeezed out of the market. Indeed the bill will introduce a Labour Hire Licensing Authority with a labour hire licensing commissioner. One would assume that with the Andrews Labor government at the table choosing these types of people, there will be very strong links to the union movement there, which could end up creating jobs for the boys and squeezing out smaller reputable companies that do not want to pay homage to the Andrews Labor government and the union.

Finally, I would just like to comment on an article written by Robert Gottlieb in the *Australian*. I know he has made some commentary in relation to this bill, and he raises his concerns in a most emphatic member.

He said back in February:

With just over eight months before the Victorian election, the Andrews government has introduced legislation with the potential to unionise major labour hire companies plus significant parts of the large consulting firms including PwC, Deloitte, Accenture and KPMG.

This is a highly sophisticated exercise, he goes on to say. He talks about a smokescreen with deadly intent. I know that people in my electorate and right across rural and regional Victoria are most concerned that with this implementation the burden and the onus will end up being on the farmer to provide funding for this and to pay fines if they cannot comply for whatever reason. It will be crushing on our Victorian farmers, and I cannot support this bill in any way, shape or form.

Mr RAMSAY (Western Victoria) (14:18) — I rise to speak to the Labour Hire Licensing Bill 2017. I do want to put on record the purpose of the bill and some of the provisions within it, and then I will speak to why I, as does the coalition, oppose the bill. When the bill first came up I actually pondered and took a rather pragmatic approach to it and to why the government would see the need to license labour hire businesses. I have had a long connection with labour hire businesses in respect of a number of businesses I have been involved in, and I have to say that they have all acted honestly and with integrity, particularly in respect of their obligations in relation to, as Mr Gepp told us continuously in his contribution, a fair day's work for a fair day's pay.

I went through the bill. The purpose of the bill is to require all firms providing labour hire services in or for Victoria to be licensed. It also includes an extended definition of 'labour hire services', including placing workers to be employed by an employer where the provider arranges accommodation or placing independent contractors where the provider also manages the contract; prohibitions on offering or using unlicensed labour hire services with large civil penalties; and a Labour Hire Licensing Authority consisting of a single commissioner appointed by the Governor in Council with inspectors and other staff. 14:20:00

The bill also requires that extensive information be provided in all licensing applications, with the authority having the right to acquire further information it requires. Details of applicants are to be made public, and any interested person is entitled to object. A licence is to be refused if the applicant is not a fit and proper person. A person is a fit and proper person unless they or a body corporate of which they were an officer has certain convictions, has had a labour hire licence

cancelled or has been insolvent or disqualified under the Corporations Act 2001 within various time periods.

Licences may be subject to any conditions determined by the authority. Licences are for three years and then must be renewed. Fees are to be specified by the regulation and paid for by applications. Specified information must be provided annually, and any changes to information provided must be notified within 30 days. The authority may vary licence conditions by a notice to the licence-holder. A register of licence-holders is to be publicly available as well as details of refused applicants and cancelled licences.

The bill provides rights for inspectors to enter premises and obtain documents to ensure compliance with the legislation; a right for licensed applicants or objectors to seek review by VCAT of any licence-related decision by the authority; a right of the authority to pass on information to any other relevant regulator; and capacity for regulation to exempt from the definition of 'provides labour hire services' any class of provider, type of service or class of worker and to deem when a worker does work for a business or when a business is a host.

I read that out purposely, despite that it was longwinded and probably boring to many of you. I referred it to a very good friend of mine who is actually in the labour hire business in regional Victoria, and I asked him to make comments on the provisions I just read out then. His response was only, 'It is bullshit — an additional cost burden on already struggling enterprise, especially in regional areas'. That is his summary of this bill. I say that because he has been in the labour hire business for 30 years. In fact he provided 400-odd workers to a business I was involved in some years ago under a labour hire agreement. We worked very well together.

Many of the contributions made in the chamber have raised concerns, particularly on our side, about what the government's ulterior motive is. I listened to Mr Gepp's contribution, and I sat there thinking, 'What he's saying makes sense'. The government is trying to weed out the bad apples in respect of those labour hire businesses that are actually trying to undercut the wage framework that we have in this country. It is trying to make those labour hire businesses compliant in relation to their responsibilities. That seemed fair and reasonable to me. I then spoke to a number of stakeholder groups that use labour hire businesses, and I said, 'Is there a need for a new regulatory framework — a licensing framework — to make labour hire firms and businesses compliant?', and the response was no. In fact there are very few cases where there are labour hire businesses that are actually not meeting the obligations and are

undercutting through not providing an appropriate wage for work, thereby compromising what we have here in this state but also nationally regarding wage frameworks.

I wondered then what the ulterior motive of the government was in introducing this legislation. I note Mr Gepp was very keen to quote different stakeholder groups and different people in respect of this proposed regulatory regime. In fact he quoted or verbalised, as Mr O'Sullivan said, a past president of the Victorian Farmers Federation (VFF), Peter Walsh, who is the member for Murray Plains in the Assembly, and he quoted another past president of the VFF, Andrew Broad, who is also now a member of Parliament. I know both well, and I know they would support a framework that made sure labour hire firm businesses complied with their responsibilities.

The trouble is that Mr Gepp took the liberty of taking them out of context, which he does on a regular basis. He uses their quotes and verbals them to suggest that in fact they are supporting this bill, and that is not the case. I know very well that both those gentlemen would be supportive of the VFF's position. The VFF has raised considerable concerns with respect to this bill and the impact it will have on their different commodity groups, particularly horticulture, in respect of the regulatory burden, red tape and costs associated with this licensing regime, which actually would not really impact some of the issues that Mr Gepp raised.

Mr Gepp is an intelligent person, which I take on assumption — maybe it should be perception, I am not sure, but I will work on the basis of assumption — and he would know, as he quoted some Vanatuans who apparently came in on some visa and were not paid the appropriate wage, that in fact labour hire firm businesses very rarely work under the visa system, if at all. They have to be sponsored through the 457 visa program. So what he was quoting as an example would, even under this regime, not actually impact on some of these unscrupulous businesses. Well, they are not businesses, actually; they are different people who are bringing in cheap labour and undercutting our wage framework and creating some of the angst that has been identified through the backgrounding work of this bill. It really will not impact what the government is trying to do here in licensing labour hire firm businesses.

As I said, the bill imposes huge amounts of unnecessary paperwork. I have just read all the provisions in the bill, so anyone can perhaps have a clearer and better understanding of the impact some of these provisions will have on particularly regional labour hire businesses. I know the margins are very small for a lot

of these labour hire businesses, in regional Victoria particularly, and when you burden them with more red tape, paperwork and administrative costs, their margins will be at a point where they will go out of business.

I started to think maybe it is the ulterior motive of the government to drive out these smaller labour hire firm businesses, particularly those that are most impacted in regional Victoria, and just leave the unions to have ownership of labour hire across Victoria. They are the only ones who will actually have the financial capacity under this regime to be able to absorb some of the costs associated with the licensing into their profit margins. Basically all the smaller regional labour hire businesses will just go to the wall. Maybe it is the ulterior motive of the government to support their major donors by creating this licensing regime whereby the unions will have total control of labour hire businesses across Victoria. I am sure we will get into some of the detail through the committee stage.

14:30:00 As Mr Ondarchie said, the Forsyth inquiry was supposed to be a light — a shining light — for the government to introduce tighter controls in relation to the regulatory framework we already have for labour hire businesses. What the Forsyth inquiry recommended was only an industry-specific licensing scheme which was mainly targeted to the horticultural industry and the meat and cleaning industries, and obviously within those recommendations there was capacity to expand or contract sector coverage. So the government has gone way above and beyond the Forsyth recommendations. In fact I believe they have overreached on this bill, and that is why we cannot support it.

The bill ignores Forsyth's concern about ensuring that the impact on the large proportion of reputable labour hire operators is minimised, and that is the point I have just been making. The bill imposes huge administrative and reporting burdens, as I said, and that will have a significant impact, particularly for labour hire businesses in regional Victoria. The commissioner can impose any conditions the commissioner determines on any licensed business and he can vary those conditions at any time, thus creating enormous uncertainty for businesses and exposing them to coercion and intimidation. Employers face an unspecified but very high level of licence fees that are yet to be determined. As the scheme is intended to be fully self-funding, with costs running into the millions of dollars — the government has announced \$8.5 million of funding, by the way — and is likely to regulate only about 1000 labour hire businesses, the licence fee per licensed business is likely to be very high. The department could not provide any estimate of the intended licence fee

level when the opposition was briefed, but we may well be able to get a figure out of the minister through the committee stage.

The sweeping definitions of labour hire providers and workers may catch many practices not generally regarded as labour hire. Relying on regulations to prevent unintended consequences or to exempt certain sectors or classes of business creates uncertainty and makes businesses dependent on government favours and subject to government bullying. We have seen through the trade union royal commission that the unions' top priority is revenue and membership, and a Labor government is likely to have that as a priority also. The three-year licence period is very short, which means operators will not have the necessary certainty to be able to invest and expand with confidence that their business will continue. As I said, the bill imposes huge and unnecessary paperwork.

We have already got a framework in place. We have got a Fair Work Commission that deals with those that are non-compliant, and generally the system works quite well. And it is not only labour hire businesses that actually have a few bad apples. If you go to any employer, and I could name a few that are actually before IBAC now for not paying appropriate wages — I am not allowed to of course because I would be in contempt — I can assure you there are many employers out there now in the business world that are not meeting their obligations in relation to appropriate wage payments for their sectors.

Why the government is homing in on the labour hire business particularly only leads me to think that maybe they just want to push all the small, legitimate labour hire businesses out and have a union-controlled labour hire business whereby the Labor Party and the union will have greater control of the employment of workers. And obviously there is an opportunity to increase union membership and membership revenue through that process. The bill goes, as I said, way beyond the recommendations to the government from the Forsyth inquiry. The solution to the exploitation of workers by a handful of shonky operators in a small number of sectors is to apply and enforce the existing laws, which in fact are Bill Shorten's Fair Work laws. They are already set and provide protection for workers entitlements, not to mention the employees themselves — I am quite sure if they were underpaid, they certainly would let the Ombudsman or the Fair Work Commission know.

I do want to just quickly recognise and thank the Victorian Farmers Federation (VFF) for the work they have done in making us aware of the complexities of

this legislation and the impact it is going to have on the farming industry across Victoria if in fact this bill is passed.

Ms PATTEN (Northern Metropolitan) (14:34) — I would like to rise to speak to the Labour Hire Licensing Bill 2017. I will not go through the details of the bill; I think they have been very well canvassed by previous speakers in this house. Certainly in listening to the contributions and spending probably a lot more time than I thought I would on this bill, I noted that we have some really vocal opponents to this bill and we have some really vocal proponents for this bill.

I must say that I have met with a large number of those interested groups and organisations, and I appreciate and thank them for all of the information they patiently gave me in thoroughly explaining their positions on the bill and either the reasons they were for it or the difficulties they had with the bill. The Victorian Chamber of Commerce and Industry (VCCI), the Ai Group, the Victorian Farmers Federation (VFF), Cobram and district fruit growers, Victorian Trades Hall Council, WEstjustice — an enormous number of people who I not only met in person but also received emails and letters from.

I took this very seriously and I really have considered this bill, as I have mentioned, more than I thought I possibly would. In fact it led me to look at the effect of the Queensland legislation and to consider the rollout of what was happening in Queensland. My staff were producing tables that were looking at all of the objections around this bill from everyone from the VFF to VCCI to Ai to the fruit growers — all of them — and I was going back to the department and back to those organisations over these last few months while seriously considering this bill.

It does have a very human effect. Listening to the speakers today, a lot of them have really outlined that. I am not from a country electorate so I do not necessarily have that very firsthand experience with a neighbouring farm, but I do appreciate that. Certainly when you speak to someone like Emma Germano with her cauliflower farm — and I have got no doubt that she is listening to this debate right now — I was really moved by the concerns that she did have with this bill. But I also listened to some of the most harrowing experiences of exploitation that WEstjustice brought to me. Just listening to some of the conditions that workers were having to work under was really extraordinary. In my mind these are 19th century-type working conditions and exploitation, where you have got female workers without toilet facilities and having to just pee in front of fellow workers.

I think some of the challenges as a crossbencher are that quite often you feel like your vote is a decider. Everybody's vote in here is important, but I quite often feel that I can make a choice between the status quo or the specific changes that a bill proposes. If I was the Premier or if there was a clean slate, this possibly would not be how I would have travelled down to solve the problems, and I may have gone in an entirely different way, but that is not an option for me. Instead I balanced the two options, neither of which I think are likely to be perfect. But I have given this considerable thought and I have met with people as late as this morning to discuss concerns about this. As I say, I do not take this task lightly, and particularly in relation to this bill. As I mentioned, I have systematically worked through the major concerns that have been raised with me. I would like to raise some of those now because, as I say, we did consider them.

Looking at the proposed civil penalties under this bill, I do not think they are actually unreasonably high. I note that they are lower than the proposed penalties in Queensland and South Australia and that they are civil penalties, they are not criminal penalties, which was among the concerns that were raised with me. Obviously they will be preceded by notices to comply, with conditions and other non-punitive mechanisms. I am satisfied that the prohibition on a host entering into a contract with an unlicensed provider is not onerous and that they only rely on the register once, which I think will be a fairly straightforward task. I am satisfied that the definition of 'officer' is not unreasonably broad, and when read in conjunction with standing corporations law it does mean a substantive decision-maker. I think that is fair, that that is the person who should have that responsibility.

I am reassured that in raising an objection to a licence application by an interested person, the application will not be stayed. So the application process will proceed, even the renewal process will proceed, regardless of whether there is an objection. So that process will continue. At worst there would probably be a 14-day delay in any application where there were objections. But as I mentioned, the application will not be stayed, nor will this mean that a business cannot continue to operate. So I do not believe it is open to the types of abuse that people have raised with me and that have been raised by previous speakers such as Mr Ondarchie. I do not think a falsified objection from an unscrupulous operator will stymie an application. I am reassured that advertisers outside of Victoria will not be caught by section 14, save for those that are wanting to place workers in Victoria directly.

On the publication requirements on the authority's website there were concerns that this would be a breach of privacy, particularly in relation to the officers, and that this is very different to the information that is already required on websites like the Australian Securities and Investments Commission's (ASIC's). I think that it is very similar to what is required by ASIC and that most of the information that would be provided on that website would probably be provided on that business's very own website. So I do not think it raised sufficient privacy concerns for me.

In looking at the processes rolling out in Queensland, the annual requirements for the provision of information I do not think were overly burdensome. I know there were conversations about having to list the number of employees that you had placed in that 12 months. That may be problematic as far as commercial in confidence. I am assured that that information would not be published information. Yes, someone might try through FOI to get that information; however, there would probably be very significant and good grounds to redact that information and not provide it, on the basis of privacy and commercial in confidence.

Most importantly, I note that this scheme excludes secondments and supply to individuals — for example, having a plumber in to fix your home will not be captured by this bill and neither will translators and professional services like accountants employed by a firm and visiting another business to provide accountant services. These are all examples that were given to us over the course of the conversation around this bill. It will not cover volunteers. It will not cover genuine subcontracting and genuine outsourcing. I note that in speaking to the Australian Industry Group (Ai Group) this morning, one of their significant concerns was that the exclusions that had been listed in the consultation paper were not within the bill and that they were seeking some assurance that the exclusions as they stood in the consultation paper would remain the same with the implementation of this bill. I have had reassurance that that will be the case, and I understand that the minister will provide that assurance in her summing up of this bill.

What has become apparent also is that there are labour shortages. The concerns that Mr O'Sullivan mentioned with trying to pick the fruit at that exactly perfect moment so that it could then be shipped to China within 8 hours are important. It is an ongoing concern for farmers and for the VFF. Shortage of labour is an ongoing concern for us everywhere, but particularly in horticulture. But I think in many ways that issue is much bigger than just this bill. That is an issue that we

need to deal with from the whole of government, and I would encourage federal and state governments to address this with some sense of urgency and in a meaningful way. I commend the farmers federation's horticulture policy statement. I think that is a very good starting point to look at how we can enable a workforce that will meet the growing demands of our growing horticulture industry. Things like an agriculture-specific visa could well have some merit.

I am optimistic that this bill will help clean up the industry, and I am optimistic that by doing that and by giving people the sense of security that this is a safe industry, that this is a well-regulated industry, we may see that we attract more people back in — whether it is the backpackers or it is the domestic workers or people having a gap year within their own country, and I would encourage our year 12s, if they are having a year out before they take further study, to work out in our great regional areas.

What is frightening for Australia is that on the United Kingdom's version of the Smartraveller website they warn travellers to Australia that they may face exploitation at work. We are a country that other countries are warning young people coming here to be careful of as they may be exploited in work.

As I say, I have considered this. I do not know how many people everybody else has met, but I know that as crossbenchers we quite often receive a significant number of meeting requests on various legislation, be it this or be it the portable long service leave or many other bills that come before this house, and I did commit to meeting as many of them as I could.

I hope that I responded to every submission that I received on this. As I said at the outset, I am not in the position to offer up my own solution to these issues. I have been asked to make a decision between the status quo and this current bill. I am not saying this bill is perfect, but in weighing up the pros and cons of doing nothing or taking this proposed scheme on board, I have concluded that I would be in favour of this bill. However, in saying that, I will hold some judgement until the committee process to receive the reassurance that the limitations and exclusions that have been mentioned in the consultation paper will be within the regulations and within the bill.

14:47:30

Mr O'DONOHUE (Eastern Victoria) (14:48) — I am pleased to make a contribution on this bill. It is an important bill and one which I think has had a very thorough airing today of the many issues that exist. As Ms Patten said, there are strongly held views on either side, and she listed some of those stakeholders that are

opposed to this legislation, as have other speakers particularly from the Liberal-Nationals coalition, the Victorian Chamber of Commerce and Industry, the Australian Industry Group, the Victorian Farmers Federation and others.

I think it is particularly interesting that the government has gone way beyond its own inquiry. The Forsyth inquiry only recommended an industry-specific licensing scheme initially targeted at the horticultural, meat and cleaning industries, with capacity to expand or contract its sector coverage. This bill goes much further than that. My colleagues, from Mr Ondarchie through to Mr Ramsay and others, have spoken about the financial cost and impact on these businesses, and I want to echo the comments Mr O'Sullivan made about the necessity to pick at the right time and get product to market.

Ms Patten reflected on those comments about export markets to China and elsewhere. I want to talk, in a similar vein about the same issue, about the challenges for small-scale farmers — family farmers — supplying to Coles or Woolworths, for example, or supplying to Metcash. There are not that many purchasers in the marketplace, and a 10-acre or 20-acre strawberry farmer from the Yarra Valley, for example, does not have the capacity to be a price setter; they are a price taker. They take the price that they can negotiate, often in conjunction with other growers, from Woolworths and Coles. I think we all appreciate that Woolworths, Coles and Metcash, and Aldi if they are in the marketplace, are negotiating very strongly for the lowest possible price and that any extra cost burden that is imposed on those farm businesses by this legislation, if it indeed passes, will be a cost that has to be borne by those businesses.

These are businesses that often find a great difficulty in turning a profit. I was speaking to a grower this morning from the Yarra Valley, in my electorate, and he made the point that the free trade agreements that Australia has recently entered into with Korea and Japan have also increased competition with inbound produce to the Australian market. I think we do — well, I do — accept the benefits of free trade agreements in giving Australian producers access to export markets. There is no doubt that they also create competition the other way. What the state government is doing here is putting a cost burden on an industry that is already subject to significant cost pressures and an industry which is not a price setter but a price taker. Any extra burden that is added by regulation and cost will put extra pressure on those businesses, and some may struggle to survive as a result.

I want to be crystal clear, as many of the speakers on this side have been already, that some of the examples that we have seen of illegal behaviour and exploitation of workers are abhorrent. They should be stamped out, and there should be a zero-tolerance approach. But much of that relates to enforcement and applying the existing laws. Since this debate commenced, since the Forsyth inquiry was commissioned and indeed since this legislation entered the Parliament in the other place, there has been reform by the federal government which has tightened and strengthened the federal regulatory regime, and we on this side do not believe this legislation is required to pursue those who flout the law. We need a strong enforcement response and a strong accountability that the exploitation will not be tolerated.

I hope that if this bill passes there is not the perverse impact that the extra cost burden pushes some into pursuing other avenues. We want the marketplace appropriately regulated, for workers rights to be protected and for those who flout the laws to be prosecuted, but this bill will not achieve, in my view, those outcomes. I want to specifically acknowledge Bridget Vallance, who is the Liberal candidate for the Assembly electorate of Evelyn, and John Schurink, who is the Liberal candidate for the Assembly electorate of Monbulk.

They have done a lot of work together with Christine Fyffe, the member for Evelyn in the Assembly, working with the strawberry and berry growers in particular throughout the Yarra Valley. I have met with many of them myself as well, and they have some concerns. Many of the berry growers in the Yarra Valley are second-generation farming families who have created a successful industry, who have worked incredibly hard, but who are smaller scale producers. Their profitability can vary depending on all of the variants that farmers have to put up with: the price of water, the weather, the market price and the frost or heat that can knock out a crop or significantly diminish the yield. 14:55:00

These are growers that have done a great job with the resources and the land at their disposal, but they are people for whom a profitable business can turn into an unprofitable business quickly. We should not be doing anything that compromises the productivity or the viability of farmland in that beautiful area that is the Yarra Valley. That is part of not just supporting those local communities, but also the attraction for tourists. As I say, many of these farming families are second-generation families. They were migrants to Australia in the 1950s and 60s that settled in the valley, many from Dutch or Italian backgrounds, and from other backgrounds as well. They settled in the valley

and worked incredibly hard. Their children have worked incredibly hard. They are genuinely concerned and genuinely fearful about what impact this bill will have on their business, on the way that their farming operation will work and on the viability of their farming operation.

Others from this side, including Mr Ondarchie, who has led the debate for the opposition in the Legislative Council, have made the point that the definition in the bill of labour hire providers is a very broad one, and the definition of work is a broad one and may catch practices not generally regarded as labour hire.

If I think about another part of my electorate, many of the wine growers on the Mornington Peninsula rely on the labour hire providers, and increased costs or an increased regulatory burden to them will increase the cost to the wine growers, the vignerons of the Mornington Peninsula. Again, they are smaller scale, lower volume but fantastic producers. In such a competitive marketplace, where broadacre, larger scale winemakers from South Australia and other parts of Victoria or New South Wales, or indeed overseas — lower cost producers from Chile and South Africa and elsewhere — are competing, this has a real impact on their viability and their productivity. From the Mornington Peninsula perspective, the wineries are a key part of the tourism industry. These issues are all interrelated. When you raise costs and you raise the burden on a sector, it can have a flow-on effect to other critical parts of the economy, so I make those observations.

I also note with interest that Mr Gepp led the debate for the government. It was not Mr Mulino. I think we all agree that Mr Mulino is a very learned, intelligent and capable person, who we would perhaps describe as moderate in his views. I noted with interest the Industrial Left Facebook post that Mr Gepp formed part of. There was talk of moving back towards socialism, as the Rail, Tram & Bus Union head, Luba Grigorovitch, spoke of in that Facebook post. When you think about the changes that the Andrews government is bringing in through this; the donation of the Electrical Trades Union to the Socialist party; the debate we had earlier this week about privatisation from the Greens; and the wonderful school cleaners, the mum and dad operators that have worked so hard and are a part of so many school communities, who are going to lose their jobs at the end of this financial year as James Merlino seeks to tender out to much larger, unionised providers, you see there is a broader agenda here.

The Andrews government is no Bracks and Brumby government. It is a long way from the Hawke-Keating Labor government. Many of the reforms and changes the Andrews government is making, I suspect John Brumby would never even have considered, Steve Bracks would never have considered and Paul Keating would never have considered. We see a significant departure to the left from the Andrews government, egged on from the heart of the left by the Socialist party, the Greens and others.

I am genuinely concerned for those farmers I have talked about in the Yarra Valley, those growers at the wineries, the winemakers of the Yarra Valley and the Mornington Peninsula, and the other parts of the Eastern Victoria Region. I have met with many of them, and I just want to put on the record my respect for what they do and the important contribution that they make to Victoria's economy in and of themselves, but also as part of the destinations that the valley and the peninsula, in particular, have become. I want to acknowledge the wonderful vegetable growers in Lindenow Flats in East Gippsland and the produce that they supply up the east coast and to Melbourne.

They are industries that we need to work with, support and help, while maintaining zero tolerance for anyone who exploits workers, who breaks the law or who seeks to not pay appropriate wages and provide appropriate conditions. With those words, Acting President, I reiterate my opposition to the bill and the opposition's opposition to bill. 15:02:30

Mrs PEULICH (South Eastern Metropolitan) (15:02) — I wish also to rise and speak against this bill, which will come as no surprise. Labor governments, especially those that hold socialist ideals, have aspired to use every trick in the book — every means and every avenue — to regulate the labour market and to squeeze out any independent contractors who are not under union influence or union control. They are hostile to small business; they are hostile to small family businesses who are resilient against the perpetual campaigns by unions to destroy those businesses.

We know that the lifeblood of the Australian economy is small business. I am always proud to hear that the vast majority of small businesses are owned by people from multicultural backgrounds. Indeed my family owned small businesses, worked in small businesses and still continues to have an involvement in small business. Socialists hate small business. They hate family-owned businesses. They hate anything that is not a large enterprise that unions can dominate. During the time that I have been a member of this Parliament, both in the lower house and the upper house, the Labor

Party has continually sought industrial control over the labour market.

There are three things that Australia has typically had in the past that have given it a great competitive advantage in the production of goods and services, in particular goods. The first is cheap energy. Unfortunately in Australia — particularly in South Australia and Victoria — we no longer have access to cheap energy. A medium-sized business in Dandenong advised those who attended the annual general meeting of the South East Melbourne Manufacturers Alliance that they were looking at an increase in energy costs from \$500 000 per year to \$1.5 million per year — a threefold increase. Clearly that comes off the bottom line and in many instances that means shedding jobs.

Another advantage that we have had is transport and logistics. We can see that that has been problematic. Whilst the government may beat its chest about investment in infrastructure, often it is delayed infrastructure and delayed construction, and it is often at much greater costs because of the delay in delivery of those things. During our budget responses many of us have spoken about much-needed infrastructure, such as roads, the port of Hastings or a third airport. The progress on that agenda is indeed very, very slow. The government asks, 'But what did you achieve when you were in government?'. Well, we have been in government for four out of the last 18 years, but can I say that in the south-east we very proudly delivered a number of key pieces of road infrastructure, which for the south-east, where there are vast numbers of businesses, are very important. This government has failed to deliver on that score.

The other element of course is the cost of labour. The unions have been driving the cost of labour upwards, so much so that many companies relocate offshore and provide jobs for developing countries, not for Australians. We are losing the competitive advantage, and this piece of legislation is yet again going to hurt our competitive advantage. It will hurt jobs and it will hurt business.

The government talks about the reasons for this legislation — to protect workers from abuse and exploitation. No-one wants to see abuse and exploitation of workers, and there are laws which, if they are not being enforced sufficiently, need to be enforced and those people need to be held to account. In a globalised economy and in a globalised world we need national labour laws that provide flexibility, that provide a check on union power and that reduce the cost of regulatory burden so that we can compete and

keep jobs in Australia for Australians and in Victoria for Victorians.

This government has been moving heaven and earth to squeeze the small family businesses, which are often resistant to unionisation, out of business. School cleaners have been mentioned before. This government literally wants to hand over small school cleaning operations to larger operations so they can give their union mates greater opportunity to gain industrial control of that industry. We see that translated, for example, into things like powers of entry and union affiliation fees. We have seen those benefits being passed on from unions to Labor, in terms of donations and in terms of paying for campaigns that facilitate that agenda.

This is the corruption that is setting in under this Labor government whose members are preselected and controlled by the industrial arm of the union movement and Trades Hall, which is gearing up for yet another fight. Just the other day I attended the Ethnic Communities Council of Victoria conference, where Luke Hilakari, the secretary of Trades Hall, proudly outlined the strategy of setting up some sort of a wage theft strike force. He actually outlined that they would be focusing, for example, on Chinatown.

The Chinese are going to be targeted by Trades Hall — 15:10:00
the Minister for Trade and Investment has got his back to the debate — which I think would send shivers down the spines of every hardworking small business owner. Indeed Luke Hilakari opened up the conference with an address of, 'Comrades, brothers and sisters, and Inga'; I am glad he did not put me into the first two categories.

The strike force will be mounted against small business owners. We have got Chinatown as a target. We have got school cleaners. We have got compulsory acquisitions of businesses, for example, in the electorate of Carrum, closing businesses that have been there for a very, very long period of time. We have got the loss of businesses because we cannot find space for the relocation of these businesses as a result of the government proceeding with sky rail and needing stabling yards rather than investing in the long-term vision by supporting the federal government's attempts to electrify and extend the Baxter rail line so we would not have to do these other things.

Then we of course see the battle against taxidrivers — thousands of families being driven into bankruptcy. Some have suicided. The president of one of the soccer clubs, the Bentleigh Greens, says that he is concerned about his wife's mental health and wellbeing and that of his family. This affects multiple generations. Then there

are the bus contractors as well. The government is planning to virtually nationalise their assets with an industrial gun to the temple — you either sign up to these conditions or you are out of business. These are just recent examples of Labor's hostility towards small business and their determination to drive them out of the marketplace into larger enterprises that they can control either through their own bureaucracy or through their union mates. This spells trouble for us in terms of jobs. It spells trouble for small business and it spells trouble for the sorts of powers that we will see unleashed against these small businesses, including the power of entry that I have always expressed concerns about.

The bill imposes a huge and unnecessary paperwork and administrative cost on labour hire businesses, and some will decide that they are no longer viable. Where businesses will not be able to secure casual or relieving staff — for example, it may be aged-care or nursing homes, it may be schools who require emergency teachers, it may be fruit pickers or it may be any other casual; the hospitality industry is a great example — what will happen? What will happen is that some of those institutions — schools, aged-care providers — will need to take on additional staff in order to accommodate and have a greater expense in terms of equivalent full-time jobs to be able to cater for staff absences and illnesses and have to staff on hand for them to be able to meet their employer obligations. So they will either increase staff and make themselves less profitable, less financially viable — and if they are not viable, that will mean loss of jobs — or they may go out of business.

For those that stay in business it will mean a substantial increase in cost and in unnecessary paperwork and administration. It also exposes them to arbitrary and unpredictable demands and burdens. Many of the details, as was mentioned by Ms Patten, have not been worked out. They are yet to be worked out and yet to be translated into regulation, so we are voting on an idea that could actually translate into a nightmare. This legislation will drive out many reputable operators — as I said, particularly the smaller operators that the government has this congenital opposition and hostility to — and it will certainly reduce the flexibility and responsiveness in the marketplace. That means our businesses will become less competitive and less viable. When they lose their competitive edge and their viability, it means they close and jobs are shed.

It has always been something that I have never been able to understand — that the union movement only cares about those who are in jobs. It does not actually care about those who are seeking work or indeed who

are underemployed. We know the ludicrous situation, which has not changed over successive governments, of defining anyone who works for 1 hour a week as being employed. That is preposterous. There are many people who are underemployed and there are many people who are unemployed, and small businesses often soak many of these up.

Is it better to have a casual or a part-time job? It is something that I have worked through all my life. I started work at the age of 10. That would have been technically in breach; I am sure it was, even then. I worked right through all of my life in various casual and part-time jobs as a university student and even subsequently when I worked full time teaching and also in a family business. I knew exactly what I was getting into, but we had no choice. There was an economic necessity to provide food, to pay for escalating living costs and to pay for my own education, even though I had very supportive parents who came here as migrants — mine was not the privileged background that Ms Ratnam ascribes to every Liberal who is actually elected. We came here with nothing: four suitcases, no money, no English, no connections and certainly no privilege. We were able to get ahead through sheer hard work. My father, who was a double-degree graduate, ended up getting a job in the Dunlop tyre factory working night shift, lost his health and eventually got into his own field, not at the same level at which he had operated, but never looked back because he was able to build a life based on his and my mother's sacrifice to secure their future and their children's future, to build a life that Australia has made possible.

This is the story of so many migrants who have come here. They are prepared to work hard. Many of them aspire to run small businesses. My mother, who had never been to school for a day in her life — this is the privileged background that Ms Ratnam ascribes to Liberals — ran a successful small business and achieved her dream to do so. She did a magnificent job in running a family restaurant. I must say, I admire that woman every day of her life. She is now 85 years of age and has achieved her great three dreams, the reasons she migrated here: to allow her children to have the opportunities that she did not, to run her own small business and, eventually, to learn how to drive a car and be able to afford to buy one.

She has achieved those things and she is still, at the age of 85, driving that car. 15:17:30

The union movement, with the Labor Party, their servants in this Parliament, looks at this as an opportunity to gain industrial power and control over

sectors that are resistant to the power of unions and their attempts to undermine those businesses and shut them down, because it means they cannot get membership. They cannot get membership, and they can get money out of them. We saw how little the unions cares about them through the trade union royal commission. The unions will often forfeit the interests of workers in return for illegal payments to the unions for membership so they can influence preselections and so they can put their servants here in the Victorian Parliament.

The ACTING PRESIDENT (Mr Melhem) — Mrs Peulich, you can sit down now.

Ms CROZIER (Southern Metropolitan) (15:18) — She can sit down now?

The ACTING PRESIDENT (Mr Melhem) — Yes, she can.

Ms CROZIER — Well, thank you very much, Acting President, and I am very pleased to be able to rise this afternoon and make a contribution to this important debate. I was listening very carefully to Mrs Peulich's excellent contribution and you sat —

Mr Dalidakis — None of which was relevant to the legislation at all.

Ms CROZIER — That is just where you get it so wrong, don't you, Mr Dalidakis? This is the issue —

Mr Gepp — On a point of order, Acting President, Ms Crozier was reflecting on your ruling, your application of the standing orders, to sit Mrs Peulich down at the end of her contribution. I would invite you to invite Ms Crozier to perhaps apologise to you, Chair, for reflecting on your ruling.

The ACTING PRESIDENT (Mr Melhem) — Thank you, Mr Gepp. There is no point of order. The time —

Mrs Peulich interjected.

The ACTING PRESIDENT (Mr Melhem) — Mrs Peulich, I do not need your assistance, please. Mrs Peulich simply finished her comments, and I asked her to sit down.

Ms CROZIER — Thank you, Acting President. I concur there was absolutely no point of order. As I say, Mrs Peulich was making some excellent contributions on what is a very important debate that we are having this afternoon. The Labour Hire Licensing Bill 2017 is actually a bill that is far-reaching. It is a wolf in sheep's

clothing that actually extends right across an industry, the small business sector and other areas of business where it will have large ramifications. There have been speakers on this side of the chamber that have gone through the bill in detail, because it is an extensive bill. We have got something like 100 pages and 120 different clauses, which are very technical and they need to be understood. I have been very pleased with the contributions of speakers both in this place and the Assembly. I particularly want to acknowledge the opposition's Mr Clark in the Assembly for his very extensive and thorough second-reading speech on this bill. I would urge those opposite to read that because he highlights extensively and very clearly the full ramifications of what it will mean to Victorian businesses if this legislation is passed.

Mr Gepp interjected.

Ms CROZIER — Well, Mr Gepp, you are one of the union champions.

Mrs Peulich — On a point of order, Acting President, I just wanted to point out that Mr Gepp has been taking point of order after point of order, which in many instances have not been upheld, and yet he is more than happy to continue interjecting and contributing to the interruptions of the house to which he has objected.

The ACTING PRESIDENT (Mr Melhem) — Thank you, Mrs Peulich. I do not think there is any point of order. There have been interjections happening on both ends.

Ms CROZIER — Thank you, Acting President. As I was about to say before I was interrupted by Mr Gepp, who was speaking about the issues of vulnerable workers, I think that is one of the issues with the government's own inquiry, the Forsyth inquiry, the expert inquiry that they put together to ensure that this issue was looked at, and I will come back to that point. The point of this bill is to require all firms providing labour hire services in or from Victoria to be licensed. The main provisions of this bill are very extensive. It is not just one or two provisions. They are going to have profound changes that will alter the ability for businesses to be able to operate in a flexible manner in this state. As Mrs Peulich and others have highlighted very clearly, that will have massive ramifications for businesses who are locked into this rigid legislation.

As I said, it is a wolf in sheep's clothing. It is a smokescreen for what is actually going to occur if this legislation gets through. I have read parts of it and I have actually read parts of the Forsyth inquiry too,

Mr Gepp, because I wanted to understand a little bit more about what this was actually about. I have read the contributions in the other house. I have not read all of it in detail, but from what I have read I understand that some of those provisions, which have been highlighted, are very concerning.

The provisions are very extensive. They include an extended definition of labour hire services, including placing workers to be employed by an employer where the provider also arranges accommodation; placing independent contractors where the provider also manages the contract; prohibitions on offering or using unlicensed labour hire services, with large civil penalties; a labour hire licensing authority consisting of a single commissioner appointed by Governor in Council, with inspectors and other staff; extensive information to be provided in all licensing applications, with the right of the authority to require any further information — that in itself is just hugely cumbersome — details of applicants to be made public; and any interested person entitled to object. That again has enormous ramifications for anyone. The extent of the bill is extraordinary.

A licence is to be refused if the applicant is not a fit and proper person. A person is a fit and proper person unless they or a body corporate of which they were an officer has certain convictions, has had a labour hire licence cancelled or has been insolvent or disqualified under the Corporations Act 2001 within various time periods. Licences may be subject to any conditions determined by the authority — another concerning element. Licences are for three years and must then be renewed. Fees to be specified by regulation are to be paid for applications, and fee levels are to be determined following an regulatory impact statement process and are intended to be a full cost recovery. Specified information must be provided annually, and any changes to information provided must be notified within 30 days.

15:25:00 The authority may vary licence conditions by notice to the licence-holder. A register of licence-holders is to be publicly available, as well as the details of refused applicants and cancelled licences. There are rights for inspectors to enter premises and obtain documents. The level to which they can go when going into a business to ensure compliance with the legislation is far-reaching and will have huge ramifications for businesses. It is quite extraordinary.

There is a right for licence applicants or objectors to seek review by VCAT of any licence-related decision made by the authority and a right for the authority to pass on information to any other relevant regulator.

There is a capacity for regulations to exempt from the definition of providing labour hire services any class of provider, type of services or class of worker and to deem when a worker does work for a business or when a business is a host. They are the main provisions. I read them out on purpose because they are very extensive. I wanted to just highlight to the chamber, as I said, the provisions that the other speakers have teased out in more detail.

Mr Ondarchie just entered the chamber. He did a magnificent job of highlighting the flaws in this bill and how it is actually going to play out in the real world. But of course the union members — the union masters — that are controlling this government want exactly this. They want overburdensome regulation where they can control businesses and they can determine what will go on within those businesses.

I referred to the Forsyth inquiry, which I did have a look at before I came into the chamber. Its recommendations were very specific regarding the particular sectors where there has been abuse of workers, and rightly so. Those sectors should be held to account. They should have the civil or criminal laws applied to them if they have breached anything. There is absolutely no justification for abusing workers' rights in the way some have done in the fruit-picking industry that others have highlighted. That is why recommendation 14 in the Forsyth report says:

I recommend that Victoria introduce a licensing scheme for labour hire agencies, that is initially targeted at those supplying labour in the following specific sectors: the horticultural industry (including the picking and packing of fresh fruit and vegetables), and the meat and cleaning industries. I also recommend that capacity be provided within the framework for the proposed Victorian labour hire licensing system, allowing it to be expanded to cover other industry sectors, or to be contracted in response to changing ... practices in the regulated industries.

He recommended the scheme for those three industries. That is what the Forsyth recommendations say.

Mr Gepp interjected.

Ms CROZIER — Mr Gepp, you and your industrial left. We saw you on the video. It was very clear. You stood there with Mr Setka, who was flexing his muscles. You were right beside him, through you, Acting President, and the industrial left that you are very, very strongly involved with. We have seen with this government the mastery of Peter Marshall, who is pulling the strings on this government. We have seen that through the United Firefighters Union issues, and Mr Gepp, you have stood side by side with John Setka on that industrial left video. You are wanting to heavy

small businesses. There are many thousands of family businesses in this state that are objecting to the lengths to which this legislation goes because they know that the overburdensome regulation — the red tape that you are putting onto businesses — is going to be absolutely impossible to manage and to achieve.

In terms of some of the appeal processes, businesses cannot possibly operate under these strict guidelines. They will go to the wall. You will have your way. You will have a hugely unionised workforce. That is why you want this bill to go through — because the union numbers are declining, and you know it.

Mr Gepp interjected.

Ms CROZIER — And no wonder why with the tactics that the unions play out all the time. Those heavy, industrial unions that you have been a part of with John Setka are showing their true colours now. There are legitimate businesses out there who do the right thing, and they do not need overburdensome regulation like this imposed on them, Mr Gepp. Through you, Acting President, you see, this is —

The ACTING PRESIDENT (Mr Melhem) — Order! Ms Crozier and Mr Gepp, through the Chair.

Ms CROZIER — As I was saying, there needs to be a balance and there needs to be some responsible application of what we are talking about here. This bill does not provide that balance, and it does not provide a reasonable example of how small businesses should be able to operate in this state. It will be cumbersome and overburdensome and it will be detrimental to the Victorian economy. Somebody who I admire very —

Mr Morris — Acting President, using the precedent Ms Shing set in the house on Wednesday, I draw your attention to the state of the house. I do not believe a quorum is present.

Quorum formed.

15:32:30 **Ms CROZIER** — I thought I had more time to make my contribution. As I was saying, this is industrial relations by stealth, and in terms of what this government is doing it is an absolute disgrace. I need more time to finish my contribution because I have got more to say about this dreadful piece of legislation.

Mr Dalidakis interjected.

Ms CROZIER — You might yell and scream, but you are puppets to the unions, Mr Dalidakis.

Mr DALLA-RIVA (Eastern Metropolitan) (15:33) — I hope I do not have a quorum pulled on me as well. I move:

That debate be adjourned until the Economy and Infrastructure Committee has inquired into, considered and reported on the Labour Hire Licensing Bill 2017 by Tuesday, 19 June 2018.

In speaking to the motion, it has been clear from the procedural debate and the many issues raised during the debate that it is important for this bill to be referred to the standing committee. Given the time, we could bring the review back and then have that discussion at a subsequent date. I would encourage members to consider the motion that I have put forward and to vote to allow the bill to be referred off to the Economy and Infrastructure Committee. I commend the motion to the house.

Mr ONDARCHIE (Northern Metropolitan) (15:34) — I rise to support Mr Dalla-Riva's motion because there are a number of unanswered questions still within this bill. The government speaker on this bill was not able to respond to —

Mr Dalidakis interjected.

Mr ONDARCHIE — Have you been drinking again, have you? Have you been drinking at lunchtime again, have you?

Mr Dalidakis interjected.

The ACTING PRESIDENT (Mr Melhem) — Order! Mr Dalidakis!

Honourable members interjecting.

The ACTING PRESIDENT (Mr Melhem) — Order! Mr Dalidakis! Mr Morris! I know there has been a lot of tension. I think members need to just calm down a bit so we can deal with this issue.

Mr Gepp — On a point of order, Acting President, can I suggest Mr Ondarchie was unparliamentary in his reference to a member of the chamber and I invite him to withdraw.

Mr Dalidakis — On the point of order, Acting President. My learned and earnest colleague next to me did point out that Mr Ondarchie reflected negatively on this chamber, on this Parliament and indeed on me. If you wish to make accusations about people being drunk in this chamber, given that I have a zero blood alcohol level, I find it offensive. I ask both Mr Morris, who made that accusation, and Mr Ondarchie to withdraw.

Mr Morris — On the point of order, Acting President, I listened very carefully to what Mr Ondarchie said. He did not accuse the member of being drunk. He did not use the term ‘drunk’. Nor did I accuse the minister of being drunk. I accused him of being ‘loose’, and his behaviour is exceptionally loose if you were to have a look at what he has been up to.

The ACTING PRESIDENT (Mr Melhem) — I ask members to withdraw. I heard the reference about drinking. I ask you to withdraw so we can get on with the debate.

Mr Ondarchie — I withdraw.

The ACTING PRESIDENT (Mr Melhem) — Thank you. Mr Morris, I ask you to withdraw. You used the term ‘loose’.

Honourable members interjecting.

The ACTING PRESIDENT (Mr Melhem) — Okay. That is fine. Thank you. I do not compel you to withdraw. Mr Ondarchie to resume.

Mr ONDARCHIE — There are so many unanswered questions in this bill, and the solitary government speaker on this bill has been unable to satisfy the questions that have been asked by many people in this house today. This is not a time-critical bill; it is due to be enacted on 1 November 2019. It is appropriate then that the Economy and Infrastructure Committee examine this bill to get the answers or rather to fill the gaps that are in this bill. I support Mr Dalla-Riva’s motion and encourage its swift passage through the house.

Mr MORRIS (Western Victoria) (15:37) — I support the motion moved by Mr Dalla-Riva. I believe that this bill is going to have a disproportionate impact on regional communities, communities that rely on a lot of seasonal workers, by placing undue encumbrance on many of the agricultural industries across regional Victoria — and I understand and recognise that those members opposite probably would not know a lot about those industries. A committee reference such as this would enable those members to familiarise themselves with those issues. A report would ensure that the house is aware of the very significant issues that have been raised by the Victorian Farmers Federation and other groups about the impact this bill could have had and indeed would have on the capacity for people, particularly people in the agricultural sector, to get the workers they need to do the important work they do in order to get their produce to market and ensure a very important part of our economy can thrive. I commend

Mr Dalla-Riva, and I hope the house supports this reference.

House divided on motion:

15:40:00

Ayes, 20

Atkinson, Mr	Morris, Mr
Bath, Ms	O’Donohue, Mr
Bourman, Mr	Ondarchie, Mr
Carling-Jenkins, Dr	O’Sullivan, Mr (<i>Teller</i>)
Crozier, Ms	Peulich, Mrs
Dalla-Riva, Mr	Purcell, Mr (<i>Teller</i>)
Davis, Mr	Ramsay, Mr
Finn, Mr	Rich-Phillips, Mr
Fitzherbert, Ms	Wooldridge, Ms
Lovell, Ms	Young, Mr

Noes, 20

Dalidakis, Mr	Patten, Ms
Dunn, Ms	Pennicuk, Ms
Eideh, Mr (<i>Teller</i>)	Pulford, Ms
Elasmar, Mr	Ratnam, Dr
Gepp, Mr	Shing, Ms
Jennings, Mr	Somyurek, Mr
Leane, Mr	Springle, Ms (<i>Teller</i>)
Melhem, Mr	Symes, Ms
Mikakos, Ms	Tierney, Ms
Mulino, Mr	Truong, Ms

Motion negatived.

Debate interrupted.

RULINGS BY THE CHAIR

Member conduct

The PRESIDENT (15:45) — Can I just indicate that I did review the tape from question time and I do not believe that there was any untoward or improper gesture conveyed by Ms Tierney in question time.

Mr Leane — On a point of order, President, there were quite passionate calls for Ms Tierney to withdraw — something that you would have to believe physically would have been hard — but I think that there were two members of the opposition who made accusations against a member that were not true, and I think they should withdraw the implication that the minister actually did something untoward or a made gesture they called untoward.

Mr Morris — On the point of order, President, just being one of those members that Mr Leane is referring to, the only indication that I made was that Ms Tierney was making aggressive gestures towards me —

Mr Dalidakis — That’s not what you said.

Mr Morris — Feel free to read *Hansard*, Mr Dalidakis. That is what I said. Mr Leane’s

interpretation of what I said is entirely untrue and perhaps Mr Leane should be withdrawing what he said.

15:47:30 **The PRESIDENT** — Look, grow up. Fair dinkum. This is just ridiculous, some of this petty stuff that is now creeping into our proceedings. As I said before, it does not reflect well on us in terms of the responsibilities that we have to the people of Victoria.

Mr Leane, I am not prepared to ask them to withdraw. They actually had some concern about the gestures. I was quite happy to have a look at it. I certainly did not require the minister to withdraw, because I did not believe that there was sufficient ground upon which to do so. I do not think the minister was aggressive. I think she was asserting her point with her gesturing. In fact at one point, when she was going like this, I thought she was swimming. The fact is that she was not aggressive as such. Regarding the gesture, I can understand how people might have thought, ‘Wait a minute, what is that?’, because it happened in an instant. The fact is that the video does not show that there was anything untoward in it, and frankly I am not sure why we are bothering with it at this point. We are dealing with an important piece of legislation, and we are talking about this sort of stuff. Come on!

LABOUR HIRE LICENSING BILL 2017

Second reading

Debate resumed.

Mr FINN (Western Metropolitan) (15:49) — It is often said that any legislation that is not necessary is in fact bad legislation, and I have always been of the view that every time a piece of legislation passes this house we all lose a little bit more of our freedom. To pass a bill which is undoubtedly unnecessary makes it even worse. It makes no sense at all, so I am very hopeful that the Labour Hire Licensing Bill 2017 will not see the other side of this house. I am very hopeful that in fact it will be defeated.

I think that, yes, there are people around who do take advantage of itinerant workers. There are people who, given the opportunity, will take advantage of any worker. These are fly-by-nighters. These are charlatans. These are people who quite frankly I do not think we should be tolerating in —

Mr Morris interjected.

Mr FINN — No, I am not talking about the Premier at this point in time. We will get to him another time perhaps. There are some employers who indeed make a very good living out of ripping their employees off.

There are no two ways about that. In years gone by I have been a victim of that. Many, many years ago, when I was much younger, I was very much the victim of that, and I have complete and total contempt for any employer who involves himself or herself in that sort of activity.

However, I believe — in fact I know — that there is sufficient legislation on the books, both federal and state now, to ensure that those people are dealt with and that justice prevails. I believe that those people should be held up — ‘named and shamed’ is the expression often used — as the contemptible swine that they are. I have no time for them at all. But this legislation is not necessary to deal with those sorts of people. This legislation is in fact not about the sort of scum that I was speaking of. This legislation is not about itinerant workers or protecting workers at all. What this is about is the Labor Party looking after its union mates, and that is something we have come to expect from this government.

Whether it be Peter Marshall from the United Firefighters Union (UFU) and the disgraceful effort we have seen over the past three years from the Premier in regard to them and the Premier’s ability — or attempts, I should say — to impose the will of the UFU on Country Fire Authority (CFA) volunteers or any number of other incidents over the term of this government or going back over previous Labor governments, we know that when in doubt, this government in particular gets up to its old tricks. That is something that we should be very, very wary of. We are very aware of that.

The Andrews government, as we know, is a very hard-line, left-wing government. It is a very union-oriented government. There was a time when unions actually did a good job and were necessary. They represented workers in various places very well and provided some protection for people who needed it. But that seems now to be a very long time ago, because now we have seen unions become nothing but tools used by union bosses to fill their pockets or increase their influence in the political sphere or elsewhere.

Mr Dalidakis interjected.

Mr Morris — On a point of order, Acting President, Mr Dalidakis used quite an unparliamentary term to describe Mr Finn. He should withdraw that statement.

The ACTING PRESIDENT (Mr Melhem) — Mr Dalidakis, you are not in your place —

Honourable members interjecting.

The ACTING PRESIDENT (Mr Melhem) — Mr Finn! Mr Morris, you raised a point of order and you want me to deal with it. I expect you to let me deal with it without assisting.

Mr Dalidakis, I ask you to withdraw the word ‘tool’. You were not in your place. As the President said, let us not have an argument about it. It has been a funny day.

Mr Dalidakis — On the point of order, Acting President, I am not seeking to have an argument about it. I was speaking with my parliamentary colleague about what happened on Good Friday, and I said, ‘This man is a tool of a tool’. That was not reflecting on him in any way other than highlighting the fact that he did what his leader called him to do and bastardised the politics of this place with the pairing. That was the context.

The ACTING PRESIDENT (Mr Melhem) — Thank you, Mr Dalidakis. I do not want to hear any debate on it. I ask you to withdraw.

Mr Dalidakis — In that case, so withdrawn.

Mr FINN — I thank Mr Dalidakis for withdrawing. It is almost a badge of honour to have abuse heaped upon me from the Sir Les Patterson of the Victorian Parliament. It is, as I was saying —

Mr Gepp — On a point of order, Acting President, we have just had the President in the chamber talking about the things that reflect poorly on us. Immediately after you required Mr Dalidakis to withdraw his comment, Mr Finn jumped to his feet and spoke in an unparliamentary fashion about another member of this place. I would invite you to get him to withdraw too.

The ACTING PRESIDENT (Mr Melhem) — In fact there is some merit in Mr Gepp’s comments because I did hear Mr Finn’s comment. As I said, it has been a very funny day today, and the President has given some advice to the house about it being a funny day and people being all over the place. I ask members to go back to the bill and stop this nonsense. After I ruled and asked Mr Dalidakis to withdraw — I was 50-50 on whether to ask him to withdraw, but I did — you should not have responded with the comment you made, Mr Finn, because I was assisting you in asking him to withdraw. I do not think that was helpful. I ask you to acknowledge this, which you have, and move on and withdraw the response.

15:57:30 **Mr FINN** — I apologise to you, Acting President, because the last thing I would want to be to you is unhelpful in any way. I am here to please, absolutely.

Mr Davis interjected.

Mr FINN — Indeed, Mr Davis. The fact of the matter is that this government exists for the purpose of patronising the unions; that is what it is here for. We have seen that time and time again, and we are seeing it here again today. This government is about featherbedding its union mates and union bosses. It is interesting when I look over the other side — when there are a few more members here — that you do not have to state which faction or indeed which region they are from; you can actually name them by which union has put them in here.

Mr Davis interjected.

Mr FINN — Indeed there are those who have got a touch of stardom about them and have taken to —

The ACTING PRESIDENT (Mr Melhem) — Order! Mr Davis, I do not need any assistance. I cannot hear Mr Finn. But, Mr Finn, I ask you to get back to the bill. You are reflecting on members. I do not believe your comments are helpful or relevant to the bill. I ask you to get back to the bill.

Mr FINN — On a point of order, Acting President, I am interested to know how you think discussing trade unions has nothing to do with this bill. I am fascinated to know.

The ACTING PRESIDENT (Mr Melhem) — Resume your contribution.

Mr FINN — Thank you very much indeed. As I was saying, this government is all about featherbedding its union mates, and it is doing it with this legislation. The problem is that this government is top-heavy with union mates and has very, very few people who have actually ever been in business. They have no understanding of how business operates; they have no understanding of how businesspeople think.

And so it is with this legislation. They have jumped in headfirst to put forward a proposal that is just not necessary, because the overwhelming majority of small business people are decent, honourable people who just want to make a dollar. That is what they are on about; they want to make a dollar for themselves and their families to pay their mortgage and put their kids through school and all the rest of it. To prevent them from doing that via this legislation or some other way is, to my way of thinking, quite an obscenity. Unfortunately we see that all too often with this government. The Andrews government sees small business people as the enemy. We have seen that in this house, we have seen it in the other place and we have

seen it from the Premier down. Ministers from the Premier down have made it very, very clear that they regard small business as the enemy and that small business people are deserving in some way of our contempt and most certainly theirs. They heap contempt upon the small business community all too often, in particular the Labor Party —

Business interrupted pursuant to standing orders.

Sitting extended pursuant to standing orders.

Mr FINN — As I was saying, this government has a particular contempt for small business and small business people, but added to that is another layer of total contempt for farmers and the man and woman on the land. That is something that is in the Labor Party's DNA; they do not like farmers. I do not know whether it is because private ownership of land goes against their philosophical or ideological beliefs.

Mr Morris interjected.

Mr FINN — Well, I think some of them are. I have to say to you, Mr Morris, that I think some of them are. But this seems to be an added level of contempt that this bill brings to this Parliament showing that the Andrews government not only dislikes small business but particularly dislikes farmers. What it does not realise is that by hitting small business and by hitting farmers it is also hitting workers, because if you do not have employers, you cannot have employees. They do not seem to understand that. I would have thought it was pretty straightforward. I would have thought it was a pretty simple proposition, but it is something that this government just cannot come to grips with. I urge the house to reject this legislation. I think it is an overreaction, it is overreach in every way, it is unnecessary legislation and I think, if we have statute books full of legislation that we do not need, then that is a total failure on the part of this Parliament. I think what we need to be aware of is —

Mr Gepp interjected.

Mr FINN — I think somebody has already got his hand up. The John Setka of the Victorian Parliament over there is like a puppet on a string. That is what he is. Look into the camera and smile! Mr Gepp has got his own star on Lygon Street. It is just a marvellous thing. This bill is a shocker. It deserves to be defeated, and I totally agree with Mr Ondarchie on this, 100 per cent.

16:05:00 **Mr DAVIS** (Southern Metropolitan) (16:04) — I want to make just a very brief contribution to this bill and I want to put on record some specific concerns I

have. This is the Labour Hire Licensing Bill 2017. This is a bill from central casting Labor. It is a bill direct from Lygon Street, as Mr Finn has said, and there is no doubt that the Labor puppets in this chamber are having their strings pulled by the union links that fully control them. They are, after all, wholly owned subsidiaries, and there are real issues for our democracy when the control that is exercised by the unions is so great.

I do just want to put on record my concern about the way this will operate. Many people in this community choose to operate as contractors. They ought not be forced to undertake a style of employment that they do not wish to undertake, and they should not have the state intervening in this way. Clearly there are those who are weak and vulnerable and who need protection from industrial mechanisms via laws, and that is only fair and only just. But this bill goes far too far and will, in my view, weaken the position of our economy in Victoria. We are in a position as a national economy, as a state economy, where there is significant competition internationally and we cannot be in the position, in my view, where our economy is excessively weakened by bills of this sort. Further, the basic freedoms that are a part of the choices that people make in how they organise and sell their labour are things that the state should not unreasonably or unfairly intervene in beyond the basic protections.

This bill goes far further. This bill will impact very heavily, and much has been said in this chamber about certain industries that will be particularly impacted. Some in this chamber have drawn attention, for example, to the agricultural and horticultural industries that will be deeply affected by the changes that are proposed in this bill. I think that that is right, and I think that that is very, very concerning for those individuals who choose to operate as contractors, for the farmers and for the horticultural industries in particular. Again, we are seeking to build significant markets internationally and we are seeking to make our products competitive. The intervention of the state Parliament through this bill will not assist with any of that and it will not assist with basic freedoms that should be accorded to those who would seek to work as contractors.

I make the point that in my own area of portfolio interest, in planning, there will likely be a great impact from this bill. The building and construction industry, one of our largest industries — about 10 per cent of our economy — is likely to be very directly impacted by parts of this bill. I know the government is now seeking to give assurances, assurances demanded by some of the industry groups — the Ai Group and others — but I for one do not regard these assurances by Daniel

Andrews and his government as being worth the paper they are written on.

The truth of the matter is Daniel Andrews cannot be relied upon. His word is not justifiably held in high regard. You only need to think about his behaviour with the Country Fire Authority and the series of steps that have occurred there to see, frankly, the low integrity that ought to be accorded to this particular Premier. Equally there is the series of contradictory statements he made before the state election about the east-west link — that it was not going to cost a dollar and the other clearly false statements — that ultimately became a \$1.3 billion decision to stop the construction of a road.

My point here is that the very effective and very efficient building and construction industry, the cottage-dwelling industry, is likely to be directly impacted by this bill. I have no doubt that the state government will extend it to these industries in very short order, and I think that that will push up the cost of housing directly. Housing affordability is a growing issue. Not only has the state government failed to provide sufficient land and keep the basic price of land down but it has allowed the price of land to surge upwards — pricing many young people and young families directly out of the housing market. The surge in housing costs and the surge in land costs is very significant, and that will be compounded further by a bill of this nature.

I would urge industry groups — the Master Builders Association and the Housing Industry Association — to be very wary of how this bill will impact on the building and construction sector in particular. The input of a whole series of consultants, a whole series of contractors, as defined in this bill, is likely to be very significant in building and construction. Whether they be engineering groups that provide contracted work, whether they be soil experts, whether they be the interior decoration groups, all of those are likely ultimately to be scooped up in a bill of this nature, and I think that that will add massively to the cost of construction of our dwellings and commercial and industrial properties as well.

I urge people to vote against this bill. Do not be misled by soothing words. I do think that a number of the industry groups need to have stood up more firmly on this bill. I think the Victorian Farmers Federation has been very good and has led the charge in many ways and the Victorian Chamber of Commerce and Industry on this occasion has been very active, but I do think the industry groups ought not be easily bought off, ought not be easily dissuaded from the concerns that are

obvious with respect to this bill. I think that they have been too easily assuaged by the Premier and the relevant ministers, and I think that this is a great concern. I put on record my genuine fear that they have been a very low price and a very easy con by ministers of the Andrews government, and the slowness to continue the fight I think is very concerning.

It is important to put on record that there is a serious point of division in this chamber. There are those who are concerned about small business and the options of people to act as contractors and the genuine right of people to act in that way. I know that Labor do not have that regard — that is understood — nor do the Greens, but I genuinely say to those on the crossbench who wish to genuinely stand up and say that they are prepared to fight for small business and to look at the concerns of small business, that this bill is such a test. You fall either one way or the other way. I say to my colleagues on the crossbench: please think carefully with this bill, because it will be seen as a marker bill. I think Mr Purcell, Dr Carling-Jenkins, the Reason party and the Shooters, Farmers and Fishers Party, those crossbench people need to think extremely carefully about this bill, because it is a genuine marker as to whether you are prepared to stand up for small business or whether you are not. I think it will be seen as such by many.

I think the small business sector will be watching, and watching extremely closely. I say to the chamber: this bill should be rejected. I noted the tie in the vote — 20-20 — for the referral to a committee. That would have been a very appropriate referral. It would have enabled the proper testing of key aspects of this bill. The failure of the government to support that I think is disappointing and the failure of the Greens to support it is very disappointing, but I was particularly saddened to see Fiona Patten refuse to support that referral. I think you cannot regard yourself as a person who is in favour of small business if you were not prepared to at least give small business the chance to test and to question and to put their case in a committee process.

I think that in this case that is truncating the rights of small business with such a foundational and unfortunate change as is being proposed in this bill. With those small number of comments, I say to the chamber: please consider voting against this bill. Those on the crossbench: please consider carefully the position of small business in this state, think carefully in particular about the agricultural and horticultural sectors and think carefully about the building and construction sector which will be hit hard by this bill and its consequent impact on housing affordability.

16:15:00

Ms PULFORD (Minister for Agriculture)

(16:15) — At a quarter past four, having started debate on this bill at about a quarter to 10 this morning, it is my pleasure to make some final remarks before we commence the committee stage. Mr Davis used the expression ‘a low price and an easy con’. I think he was using it in a different context, but this legislation is for some of the most vulnerable workers in our state, some of whom are being paid a very low price and are at the sharp end of an easy con. As previous government speakers and the minister who has developed this legislation have said on many occasions, we know and recognise that there are legitimate reasons for the use of third-party contracting of labour for lots and lots of businesses at different points of the year and that there are some industries for which this is particularly important. There has been quite a bit of discussion about the agricultural sector during the course of the debate, but of course there are lots of other examples where seasonal work is an annual feature of the workplace.

But there have been instances where time and time again the lack of regulation of labour hire has led to appalling exploitation of workers. And yes, those people are often those that you can characterise as being the most vulnerable in the labour market: people who have precarious accommodation, people who have precarious status as immigrant workers or as newly arrived workers, people who speak English as a second language if they speak it at all, women, young people — all the groups of people who since time began are more likely to be experiencing vulnerability in terms of their rights at work. These are the characteristics of people who feature in the stories that we see all too often, who are subject to appalling workplace conditions, who are subject to daily risks to their health and safety in their workplace and who can have just some of the worst experiences people can ever have in their workplace in terms of bullying and harassment.

During the course of this debate there has been some discussion about whether this system is necessary, whether it would be better to have a federal scheme. I think we would be very happy for there to be a federal scheme, but the federal government has made very clear its view that there ought not be one. So in the absence of the federal government taking responsibility for fixing this problem, we will respond in Victoria. I note that Ms Springle, when she spoke on behalf the Greens, was very supportive of our policy intent but a little critical of how long it had taken to develop this legislation. As somebody who has supported this policy proposal from its conception, I too would have loved for this to have happened last year or the year before,

but it is really important that the evidence upon which we are basing this bill was carefully developed and has all been very considered. I commend Natalie Hutchins for the fine work that she has led in the development of this bill and I also recognise the very important work that Professor Anthony Forsyth undertook in his handling of the inquiry which had close to 700 submissions, days of hearing evidence and countless witness statements from both individuals and organisations.

This is an issue that we did want to consider properly and thoroughly, so that report and the period of that inquiry took quite some time. The government in a considered way has come to a series of decisions about what course of action we would take. We have consulted extensively and developed legislation carefully and here we are today. I share Ms Springle’s frustrations, but I think it is so important to get something like this right. We would be very, very pleased to see this legislation pass the Parliament today, in spite of some of the efforts that we have seen to frustrate its passage, with a debate marked by opposition filibustering, opposition members calling quorums on one another and all manner of ‘reds under the beds’ crazy, anti-union hysteria, the likes of which suggest there is actually not much in the way of sound arguments against this policy.

If I could, I will take the opportunity to respond to some of the key arguments that were made time and time and time again by opposition speakers in this debate. In response to the assertion that this bill is simply a front to increase union power, can I simply say that that is just not true. Put your paranoia away; you do not need to worry about that. The bill is not concerned with unions. The bill concerns labour hire providers and the companies that use labour hire workers, so we would not want the opposition unnecessarily chasing that red herring. We were asked whether major consultancy firms like Deloitte, PwC, Accenture and KPMG would be covered by the scheme. In response to that I would say for a business to be a labour hire provider under the bill, a worker supplied by the business to a host must be working in and as part of the host’s business. Consultancy firms generally operate as third-party service providers and their standard operating model is that the workers of a consultancy firm work in and as part of the business of the consultancy firm, not in and as part of the business of the firm’s clients.

So for the ordinary, everyday activity of those companies, for them to operate as they normally do and always have, then this bill would not impact them.

We were asked: if the scheme was not designed to impose additional legal requirements on businesses, then why is it necessary? It is correct that the scheme does not impose additional workplace laws or tax, superannuation or health and safety obligations on labour hire businesses. In fact it changes the minimum conditions payable to no-one. It does not change a dollar in anyone's bank account, and it does not change a minute of leave entitlement or any other thing like that. It does not change health and safety obligations. What it does, though, is it allows compliance with those existing laws to be examined and verified, so it is about bringing much-needed transparency to the labour hire sector. For example, there is no requirement for any new obligation to pay workers correctly. This is already a legal requirement in this country under the fair work laws. The scheme will verify whether a business seeking to enter into the labour hire industry has been compliant with workplace laws. If they have not, then there is the opportunity to address those issues at the gatekeeper stage.

The question was asked about the circumstances where someone might make an objection about a licence application or renewal application, and whether or not a labour hire company would need to stop operating. The answer to that is no. The fact that an objection has been made would not mean that a labour hire company would have to stop operating. That idea is something that has been asserted a bit during the debate and is simply not accurate.

The Labour Hire Licensing Authority will consider any objections and may choose not to take any action in regard to that objection, for instance if it determines the objection is without merit or does not provide appropriate evidence to rely upon. Under the bill the authority must grant a licence if the licence application or renewal application requirements are satisfied. These requirements may be satisfied regardless of whether an objection has been made, depending on the nature of the objection. Even objections that raise issues with an applicant's suitability may not necessarily lead to a refusal to grant a licence or renewal. The bill provides the authority with many tools to deal with such issues, such as imposing conditions on a licence or issuing a notice to comply. These tools are there to enable the authority to do all it can to assist a business to comply with licensing requirements and remain licensed. Applicants have strong appeal and review processes to allow them to challenge any decisions made by the authority.

The suggestion has been made during the debate that this will create more red tape for legitimate businesses, and that licensing will not work because dodgy

operators will continue to be dodgy and the reputable licence operators will be undercut. This is not the case either. Under the scheme, users of labour hire services or 'hosts', as they referred to throughout the bill, must use only licensed providers. A register of licence-holders will be freely available so hosts can check who is licensed and who is not. We believe that the market for dodgy operators will dry up as hosts will not want to risk those penalties for using an unlicensed provider. That is, indeed, the point of the scheme.

Other than the requirements to be licensed — and this is an important point that I think has been lost somewhat during the debate — the bill merely requires that labour hire providers demonstrate their compliance with legal obligations that they already have and should already be meeting. So the impositions that members have been suggesting — and Mr Davis went so far as to suggest that house prices are going to go up as a result of this — are all a bit of a red herring.

Ms Patten, I think, was particularly interested in knowing a little more about the intention of the government in relation to regulations that impact the scope of the labour hire licensing scheme. There is a proper process for the creation of any set of regulations, including publication of an exposure draft and community consultation. The regulations that sit alongside this legislation are being drafted in anticipation of the passage of the bill, and consultation has commenced. The first draft of the regulations is being prepared along with a regulatory impact statement (RIS). A consultation paper on the development of regulations late last year was provided to specific stakeholders, including the Victorian Farmers Federation. There has been some discussion about their view on this during the debate, but they did not provide input at that stage.

Once finalised, the draft regulations and the RIS will both be released for a minimum period of four weeks for consultation. Stakeholders will be provided with a copy of draft regulations and the RIS for formal consultation. The draft regulations and RIS will be published more broadly as well: we will put them on the website and provide them to interested parties.

I do not want to pre-empt the outcome of the regulatory process, but I do want to provide some information on the government's present intentions in regard to the scope under regulations. So to confirm, the Labour Hire Licensing Bill 2017 allows for regulations to be made to provide for exceptions to coverage under the labour hire licensing scheme.

Firstly, it is proposed that we will use regulations to exclude secondments from coverage of the scheme, for instance a lawyer employed by a law firm seconded for a period of time to a client of the law firm to do work for that client. Another example is certain types of short-term ad hoc arrangements between similar businesses.

Secondly, we intend to exclude certain working arrangements where a worker is being shared between people who are part of an entity or group of entities carrying on business collectively. An example is where a business that operates a group of medical centres employs workers for the centres through a trust entity and the workers, including doctors, nurses, reception staff and so on, are supplied to the medical centres to perform work.

Thirdly, we intend to exclude work experience and educational placements from the scheme.

Fourthly, we intend to exclude working arrangements where a person who provides work is a body corporate with no more than two directors and the only workers provided by the body corporate are the directors of the body corporate who participate in the management of the body or share in its profits.

There are a number of working arrangements that are already excluded by the existing provisions of the bill and therefore do not need to be excluded by regulations. Again, the supply of a worker to an individual not conducting a business or undertaking is excluded. Only the supply of a worker working in and as part of the business of the host will be covered.

16:30:00 So the example I can provide here is of an accounting firm that provides an accountant to prepare tax documentation for a client's business but does not provide labour hire services, as the accountant is performing the work in and as part of the accounting business and not the client's business. Thirdly, the provision of professional or trade services to a third party will generally not come within the scheme. For a business to be a labour hire provider under the bill a worker supplied by the business to a host must be working in and as part of the host's business. This is the standard operating model for most professional and trade service companies.

Similarly, genuine subcontracting arrangements will not fall within the scheme as the subcontractor is not performing work in and as part of a business or undertaking of the host. Outsourcing arrangements will not be covered by the scheme where the outsourcing means the workers are no longer performing work in

and as part of the business or undertaking of the host. Finally, the supply of volunteers is not covered under the scheme, because they do not meet the definition of 'worker' under the bill.

I thought it would be good to get all of that on the record to assist us in the committee stage. This is terrific legislation, which is so important for so many people and so many industries. I congratulate the people who have got it to this point. I commend the bill to the house.

House divided on motion:

16:35:00

Ayes, 21

Carling-Jenkins, Dr	Patten, Ms
Dalidakis, Mr	Pennicuik, Ms
Dunn, Ms	Pulford, Ms
Eideh, Mr	Ratnam, Dr
Elasmar, Mr	Shing, Ms
Gepp, Mr (<i>Teller</i>)	Somyurek, Mr
Jennings, Mr	Springle, Ms
Leane, Mr (<i>Teller</i>)	Symes, Ms
Melhem, Mr	Tierney, Ms
Mikakos, Ms	Truong, Ms
Mulino, Mr	

Noes, 19

Atkinson, Mr	O'Donohue, Mr
Bath, Ms (<i>Teller</i>)	Ondarchie, Mr
Bourman, Mr	O'Sullivan, Mr
Crozier, Ms	Peulich, Mrs
Dalla-Riva, Mr	Purcell, Mr
Davis, Mr	Ramsay, Mr
Finn, Mr	Rich-Phillips, Mr
Fitzherbert, Ms	Wooldrige, Ms
Lovell, Ms	Young, Mr (<i>Teller</i>)
Morris, Mr	

Motion agreed to.

Read second time.

RULINGS BY THE CHAIR

Questions without notice

The PRESIDENT (16:37) — We are, as I understand, heading into the committee of the whole, but can I first indicate that Ms Dunn raised with me earlier today a request for a review of an answer to a question without notice from Ms Pulford, posed on 23 May. She had sought information on a possible meeting in the week commencing Monday, 7 May. The answer has taken up, specifically, 7 May as the date reported upon in the answer. I am of the view that that answer does not meet the question that was asked, so I reinstate that question.

16:40:00 **LABOUR HIRE LICENSING BILL 2017****Committed.***Committee***Clause 1**

Mr ONDARCHIE (Northern Metropolitan) (16:39) — Minister, on clause 1 I want to just refer in rebuttal to Mr Gepp's contribution today as the sole speaker on that side in the second-reading debate where he said in rebuttal when we were talking about what is happening to the agricultural sector that the government has spoken to many farmers, particularly in the northern area. Minister, what farmers have been spoken to and how many?

Ms PULFORD (Minister for Agriculture) (16:40) — I think Mr Gepp was reflecting on the conversations that he has had with people in his electorate. I have certainly spoken to many in the agricultural sector about this over the last few years. I am sure Ms Symes, as a member for Northern Victoria Region, has probably spoken to people about this. There has been extensive consultation in the development of this legislation, and I would be quite confident also that Ms Hutchins has spoken to many, many people in industry about the development of this legislation.

Mr ONDARCHIE — Minister, part of the feedback that we have got is around the lack of consultation, specifically with farmers. Other than saying, 'I'm sure we have spoken to a lot of people', you have been unable to confirm if anybody has been spoken to at all. You said that you personally have spoken to lots of people and you are assuming others have. I am just trying to establish what percentage of farmers you think have been spoken to, because the information we are getting is that there has been a lack of consultation.

Ms PULFORD — A percentage of farmers by which sector?

Mr ONDARCHIE — The horticultural sector.

Ms PULFORD — A percentage of farmers in the horticultural sector; I will take that on notice.

Mr ONDARCHIE — Minister, will we get a response to that before the end of the committee stage?

Ms PULFORD — To our best endeavours, but you are asking me to account for all of the conversations that anyone in the government has had or indeed I

expect the department in the development of this legislation or people at Agriculture Victoria have had with farmers in horticulture in the period that this legislation has been developed — there was an election commitment to undertake an inquiry, so really the best part of three and a half years of conversations of countless people with countless other people. We will endeavour to get you a percentage of the number of people in horticulture that we spoke to, but you are asking one of those 'How long is a piece of string?' questions.

Mr ONDARCHIE — Minister, I was simply responding to Mr Gepp's rebuttal about the lack of consultation. Nobody is able to quantify that, but I do note that you will take it on notice.

Minister, with this clause that talks about establishing a licensing system to regulate the provision of labour hire services, I refer you to activities that took place after the *Four Corners* airing on 4 May 2015 which showed that the response was swift, harsh and immediate. The Australian Taxation Office, immigration and social security enforcement arms launched immediate raids on farms and labour hire firms. There were frequent roadblocks on the routes where labour hire firms bussed workers from Melbourne to regional towns. There was a new regulator in play, the Fair Work Ombudsman, that undertook a fair bit of enforcement activity. The view of the industry is that the Fair Work Ombudsman has moved very swiftly and got a lot of things in place to deal with the very issues we have been talking about today. What failures, Minister, in the Fair Work Act 2009 and the activity of the Fair Work Ombudsman require you to add further regulation?

Ms PULFORD — I would add to that that I also suspended the grant that the government had proposed to make to the company in question until they could demonstrate that they were complying with the industrial relations laws of the land.

We are of the view that it is not up to the ABC to be playing a critical role as a monitor of labour standards in this country.

16:45:00

Mr ONDARCHIE — That was not really the question, Minister. It talked about —

Ms Pulford — It was. You said *Four Corners* fixed it, so we don't need legislation.

Mr ONDARCHIE — I did not say that. Those opposite complain regularly about being verbally; you are doing exactly that now. Minister, I am talking about the Fair Work Ombudsman. I am talking about the activity of the Fair Work Ombudsman and indeed the

capacity of Fair Work to deal with these licensing laws and this exploitation of workers. What is wrong with those current regulations that you need to add further regulation to them?

Ms PULFORD — We are not adding additional standards at all, so I think Mr Ondarchie partly misunderstands the purpose of this legislation. We are simply creating a licensing scheme so that it is easier for everyone who interacts with labour hire as an employee, as a host employer or indeed as a participant in the industry to create better traceability and better transparency around compliance with existing minimum legal standards. There is no shortage of examples that the ABC and various other organisations and individuals in this state have brought to light. I know that the Liberal Party do not believe that there is a problem here to be fixed, but on that we just simply disagree.

Mr ONDARCHIE — I do note the reflection that perhaps Bill Shorten's Fair Work laws are inadequate, hence the reason you need to do this, perhaps. You talked about the importance of the inquiry. You talked about, in your sum up, how important that inquiry was. I refer you then to the Forsyth inquiry. The Forsyth inquiry provided by way of recommendation some sector-specific activities around horticulture, meat and cleaning — those three sectors. Why is it, then, that you look to extend it beyond the recommendations of what you said was a very important inquiry?

Ms PULFORD — The Forsyth inquiry did highlight three sectors. The inquiry recommended that the licensing scheme initially apply to the horticulture, contract cleaning and meat industries, in recognition that these were some sectors with particular areas of risk for the exploitation of vulnerable workers and that future expansion to other sectors may be required, but in doing so Professor Forsyth acknowledged that the government may choose to implement a universally applicable scheme for other regulatory and practical reasons. The government's response to the inquiry's recommendations at the outset also foreshadowed this possibility, as Mr Ondarchie may recall.

There are a number of reasons why we did this. We believed that a universal scheme will better facilitate cooperation with the states. We were of the view that a sector-specific scheme would not fully address the regulatory problem across the labour hire industry. A sector-specific scheme would apply to less than 40 per cent of operators, so it would not achieve the policy objective. There are also some real challenges around defining the boundaries of a sector-specific scheme. For instance, horticulture: does that apply to growing, does

that apply to packing, does it apply to transport or does transport not apply? If somebody is driving strawberries around, do they work in the horticulture industry or do they work in the transport industry? These kinds of areas of ambiguity and confusion for everyone involved were things that we wanted to avoid. We did not want that behaviour and administrative complexity. The cost per licence will also be lower under a universal scheme, and a universal scheme provides greater flexibility to impose differential requirements on operators from different industries.

Professor Forsyth did suggest that there were three industries that required particular attention and that the government may wish to go down the path of regulating labour hire in those three in the first instance with a view to perhaps expanding it but then that the government may also seek to establish a universal scheme. The decision that we took was to establish a universal scheme, for the reasons that I have just outlined.

Mr ONDARCHIE — Minister, in trying to understand why you threw a blanket over everybody here as opposed to following Professor Forsyth's recommendations — you used the horticultural industry as an example about packers and drivers and where they sit in the whole marketplace — are you suggesting that Professor Forsyth's recommendation was both ambiguous and ill-defined? 16:50:00

Ms PULFORD — No, not at all.

Mr ONDARCHIE — It certainly seems so by way of your explanation, Minister. Minister, this clause talks about the establishment of the Labour Hire Licensing Authority. How many staff will the authority have?

Ms Shing — However many there are, you can be sure they will be paid appropriately.

Ms PULFORD — About 30. And as Ms Shing said by way of interjection, in case anybody missed it, they will all be paid in accordance with the laws of land.

Mr ONDARCHIE — Thank you for reassuring us of that. Is it common practice that you do not normally do that? Is that why you need to reassure us of that? Is that what you are suggesting?

Ms Shing — We will take that as a comment.

Mr ONDARCHIE — Minister, what will be the annual budget for the authority?

Ms PULFORD — I am just seeking that information. Perhaps you might want to ask your next question and I will come back to that very shortly.

Mr ONDARCHIE — Minister, as a requirement for the authority the bill says that at some point it needs to report to Parliament. How will it report to Parliament?

Ms PULFORD — There will be an annual report tabled in the Parliament, as is pretty common with statutory authorities.

Mr ONDARCHIE — Minister, which minister will the authority report to via its annual report?

Ms PULFORD — The Minister for Industrial Relations.

Mr ONDARCHIE — Will there be any other briefings or updates to the minister apart from the once-a-year report?

Ms PULFORD — Interaction between the commissioner and the minister would be a matter for the commissioner and the minister to determine based on what was required by way of interaction between them.

16:55:00 **Mr ONDARCHIE** — Let us talk about the commissioner then. How will you choose the commissioner?

Ms PULFORD — There will be a public recruitment process.

Mr ONDARCHIE — Minister, what sort of criteria will the government use in selecting the commissioner?

Ms PULFORD — The roles and functions are outlined in the act, so the successful candidate will be the person who is deemed most suitable to perform those functions through an open and, one would imagine, competitive recruitment process as positions are usually filled.

Mr ONDARCHIE — Minister, I am assuming then — I will seek a response from you — that this commissioner will be an independent commissioner of government at the table to just advise government either through the occasional meetings they have with the Minister for Industrial Relations or by annual report. Is that right?

Ms PULFORD — I would refer Mr Ondarchie to clauses 55, 56, 57 and 58 of the bill, which outline the role of the commissioner, the process by which the commissioner is appointed, the period that they hold

their term of office and the circumstances in which the commissioner might cease to hold office. Clause 59 goes to the arrangements for an acting appointment should there be a vacancy. Clause 58 outlines the circumstances in which the Governor in Council, on the recommendation of the minister, might want to remove the commissioner. It is all there in the bill.

The ACTING PRESIDENT (Mr Elasmr) — Mr Ondarchie, I know you have to come back to it later, but if you want to ask questions apart from clause 1 on different clauses, I am happy to deal with it and then we will tick it off.

Mr ONDARCHIE — I was actually trying to get some efficiency in here, Chair, by dealing with it right now, but I will do it in clauses 58 and 59 if that is the preference of the minister.

Chair, further to my earlier question, have we had a response to the budget question as yet?

Ms PULFORD — No, I am still seeking that information.

Mr ONDARCHIE — Some of my further questions go to the annual budget, Chair, and I am just wondering how long we can expect to wait.

The ACTING PRESIDENT (Mr Elasmr) — Two or three minutes ago you asked that question, and they said they will come back to it. I cannot put a limit on it.

Mr ONDARCHIE — With your permission then, Chair, we may move on to other clauses, but I do want to come back to that, and I do not want to be in the situation where I am told we are past that clause.

Ms PULFORD — We are seeking that information, and we are happy to share it. I am just getting it from somebody who is getting it from someone else. 17:00:00

The ACTING PRESIDENT (Mr Elasmr) — I am happy with that. It would be easier for me if we deal with each clause; it would be easier for the committee as well. That way the minister will know which clauses we have dealt with. The minister has assured the member she will come back with an answer about the budget. I know you have concerns about the answer with the budget, but if you are happy, we will move on with clause 1.

Mr ONDARCHIE — I have just one further question, Minister. Given that you have acknowledged — and we can talk about it in clauses 58 and 59, or you might choose to discharge it now — that

the commissioner will be an independent person, can we have some assurance from you that the independence of the commissioner will include no current or former relationship with the ALP or a trade union?

Ms PULFORD — I have already provided an answer about the recruitment process. The bill goes to the roles of the commissioner, and therefore I think it gives us all a very good indication of the type of skill set that we are looking for, but it is not the government's intention to discriminate against any candidate on the basis of any union membership or past union membership. To do so, for a start, would be unlawful.

Business interrupted pursuant to standing orders.

Sitting extended pursuant to standing orders.

Committee resumed.

Mr RAMSAY — I thank the minister for providing the closing remarks in the second-reading debate, which gave a reasonably good overview of the government's position and why they came to that position in relation to the bill. There are some reasons why the Victorian Farmers Federation (VFF) horticulture group have raised a significant number of concerns in relation to this bill and the impact the licensing regime will have on their ability to use casual or seasonal workers in their commodity. It is rare that the VFF, particularly the horticulture group, takes such a strong position in respect to an issue like this. Could the minister give me an indication that she has spoken, or her department has spoken, to the Victorian Farmers Federation horticulture group in respect of their concerns in relation to this new licensing regime and whether they are in fact confident that it will not impact on their commodity and their growers?

Ms PULFORD — I can certainly confirm that I have spoken about this to the Victorian Farmers Federation and to the leadership of the horticulture group on a number of occasions. I can also confirm that Minister Hutchins's office and department have met with and discussed these matters with the VFF and the horticulture group on multiple occasions over a number of years.

17:05:00 Now, I understand their position; I understand it well.

Mr Ramsay — What is their position?

Ms PULFORD — We come to a different conclusion. They believe that this is unnecessary. They would prefer a national scheme, and they believe it will

be an unnecessary burden on industry, essentially. As I indicated in my summing-up remarks at the end of the second-reading debate, this legislation will not change a minimum standard for anyone, so the only people who have cause to be concerned about the imposition of this greater transparency around labour hire through a licensing scheme are people who are currently not meeting the current legal minimums.

I would add, I have also spoken to a number of businesses in the horticulture sector who are very supportive of this legislation and who believe that traceability and guarantees of decent labour standards will ultimately be important for market access but also because they believe it is the right thing to do. Others believe this legislation is important because their labour hire arrangements are transparent and of a certain standard and compete with those who are operating in a less aboveboard way, to their detriment, as direct competitors. So there are mixed views in the horticulture sector on this issue. The government well knows and understands the view of the horticulture group in the VFF, and on this we simply disagree.

Mr RAMSAY — Minister, when you were consulting with stakeholders did you promise to stakeholders that were concerned about this legislation that you may well seek exemptions from regulations after this bill has passed?

Ms Pulford — Me or the minister?

Mr RAMSAY — I will put the question differently. Did you, your department or the minister at any time say to stakeholder groups that were concerned about this legislation and the impact it would have on their businesses that with their support you would seek exemptions from regulations post the passage of this bill? Did you give that promise to some stakeholders that raised some concerns?

Ms PULFORD — I am just a little unclear because as Minister for Agriculture these are people that I speak to on a reasonably regular basis, but I am here representing the Minister for Industrial Relations. So are you asking about the government or me individually? I am not sure, because you are asking about a specific conversation. Now, I am not in a position to make any undertakings on behalf of the Minister for Industrial Relations, but both she and I no doubt at various points would have described the development of regulations as something that industry need to be engaged in and that the ongoing development of this legislation and this reform is something that we would welcome the ongoing participation of the sector in — if that helps.

Mr RAMSAY — Thank you, Minister. Just for clarity and for the record, did the government, through its consultation process with stakeholders, indicate it was willing to look at exemptions through regulations in areas of concern in the content of this bill?

Ms PULFORD — Yes.

Mr ONDARCHIE — Minister, earlier in our discussion we talked about reporting to the Parliament. You indicated that apart from the occasional required conversation between the commissioner and the minister, they would formally report to the Parliament by way of an annual report. Could you draw me to the clause in this bill where there is a power for the authority to report to the minister in an annual report?

17:10:00 **Ms PULFORD** — I am just seeking some advice on the mechanism, time and clause for the provision of reporting to Parliament, but I have some advice on the annual budget. Whilst this is still being —

Honourable members interjecting.

The ACTING PRESIDENT (Mr Elasmarr) — Order!

Ms PULFORD — And so with the caveat that this is still being finalised, to try to assist the house in its consideration of this bill today it is in the order of \$4 million a year.

Mr ONDARCHIE — Thank you. I am cognisant of the fact that this is a work in progress, Minister. I do understand that. What percentage or what proportion of that \$4 million annual budget will be allocated to executive salary?

Ms PULFORD — That level of detail has not been finalised yet. The authority of course does not exist until after the passage of the legislation. If we are finished with the passage of this legislation at some point, then the building of the structure will occur, but I can certainly assure Mr Ondarchie that it will be in accordance with usual executive remuneration bands that exist within the public service. We are happy to give an undertaking today that the usual type of reporting of executive salary bands and numbers will be made publicly available in the way that it usually is.

Mr ONDARCHIE — I want to further discuss your commentary around the appointment. Rightly so, the government would not discriminate against any particular applicant as a result of their political affiliation, their union affiliation or something like that, so is it possible that the commissioner could be a former union official?

Ms PULFORD — I have already provided an answer to this question, I think. The government will be seeking the best applicant who is best suited to perform this task. We do not discriminate against people on the basis of their union membership or affiliation or indeed previous employment.

Ms SPRINGLE — My question is around financial modelling of this scheme. I would like to ask about the expected costs to employers and impact on businesses as well as the Victorian public who use and consume their services or products. I would like to know what financial modelling has been done, if any, to ascertain the impact of the scheme's cost on different types of businesses of varying sizes that will be party to the scheme.

Ms PULFORD — Licence fees will be set through regulations, and it is intended that the fees will be set at a level to allow for full cost recovery with costs to include both the administration of the licence and the compliance regime. The government is currently finalising fee-modelling options. But to give you something of an indication, Queensland have announced their fee for their scheme, which is quite similar in many respects and will be around \$1000 for a small business, \$3000 for a medium business and \$5000 for a large business. The commissioner and the authority will be responsible for licensing decisions, the maintenance of the register of licensees, investigations, compliance, education and the development of a voluntary code for labour hire operators. There is a civil penalty system as well, with which I imagine the member is familiar. The cost to labour hire providers we believe will be really very modest in the form of licensing fees and administrative costs. It is estimated that the direct annual cost of the licensing scheme will represent less than 0.1 per cent of the approximately \$4.5 billion annual turnover of the labour hire industry in Victoria. 17:15:00

Ms SPRINGLE — Thank you, Minister. Can I move on to a couple of questions I have about advocacy on visa and workforce issues and the federal jurisdiction. Has the Victorian government made any representations at a federal level aimed at addressing worker shortfalls in specific areas and extending worker protections to all workers?

Ms PULFORD — I would just seek some guidance from the Acting President and your thoughts on how far beyond the scope of the bill you want to go this afternoon. Is it just one or two questions or are we going into a whole area of federal government responsibility?

Ms SPRINGLE — No, it is just this question and another question. I have got two questions. The reason I ask, and I addressed this in my contribution, is that in terms of a reform of that sector, a lot of it is in the federal jurisdiction. I am trying to get my head around the intersections and what representations to the federal government the state government has made to address some of these issues.

The ACTING PRESIDENT (Mr Elasmar) — Ms Springle, can you repeat the question, please?

Ms SPRINGLE — Has the Victorian government made representations at a federal level aimed at (a), addressing worker shortfalls in specific areas and (b), extending worker protections to all workers?

17:20:00 **Ms PULFORD** — I have a wonderful group of advisers, and I have answers to three separate questions — first, Ms Springle's. I am not surprised to hear this, but it seems that my colleague Ms Hutchins has been very, very busy in the area of making representations to the federal government about worker protections. We have written to the federal minister and provided a great deal of detail about recommendations in the Forsyth review and particularly those that have consequences for the federal government. We have called on the federal government to create a national labour hire licensing scheme, which it has declined to do. Minister Hutchins has put this item on the agenda for the interjurisdictional commonwealth workplace relations ministers' meetings. We have made submissions to the Fair Work Commission at various points, including most recently to the annual wage review.

On the question of thin markets and worker shortfalls, I am advised that Minister Hutchins has not. Her advocacy efforts have been around the areas of her responsibility. Whether or not submissions have been made by the Victorian government to the commonwealth government about areas where there are particularly thin markets and worker shortages, I am not aware. It is very much a responsibility of the federal government. To the best of my knowledge we have not done this in agricultural industries, certainly none that I have written, if that is of some assistance. We certainly would expect the federal government to be very conscious of their responsibilities in this area, but Minister Hutchins's efforts in this respect have been very much in relation to her areas of responsibility.

While you are thinking about your follow-up question, I will just go back to Mr Ondarchie on a couple of points, again with the caveat that this is still a work in progress in terms of the establishment of the organisation. We

expect that the commissioner will be an executive officer (EO) level 2 and that there will in all likelihood be one other executive officer position that would sit below that. That is still being determined, but the commissioner will be an EO2, and it is under section 54 that the minister can issue a direction for annual reporting.

Ms SPRINGLE — Thank you, Minister. That was very helpful. I appreciate it. My next question is around undocumented and illegal workers. Recognising that accurate figures are difficult to ascertain, approximately to the best of your knowledge how many undocumented or illegal workers are currently in Victoria?

Ms PULFORD — I thank Ms Springle for her question and her interest in undocumented or illegal workers in this country. I think we all know anecdotally that these are some of the most vulnerable workers there are in the labour market. The government does not have any information on this. This is not an area of our responsibility or within our domain — by its very nature your question goes to what also the federal government does not know. I would love to be able to help you, but I cannot.

17:25:00

Ms SPRINGLE — Yes, look, I do recognise that this is primarily a part of the federal jurisdiction, but I suppose from my perspective it is important for the state government to acknowledge there is an element of a duty of care around residents of Victoria, people that live in this state, so I would like to just get a sense of what the government is expecting to happen to these workers once the scheme comes into force because, as I pointed to in my second-reading debate contribution, there will be adverse effects or impacts for some of these undocumented workers, without a doubt. So it would be good to get a sense of whether the government has taken that into account and if there are any plans that the government has made in as far as they can within this jurisdiction to care for those people.

Ms PULFORD — Again I thank Ms Springle for her question and for her concern for people who are in this situation. There are of course people who have been in this situation for any number of circumstances about which I am not sure it is helpful — it is certainly not within the scope of this bill — to speculate. I recognise that you are concerned that this legislation may close loopholes that are allowing for illegal and undocumented workers to be participating in the labour market and that that may change. We are very much of the view that the laws of the land exist for a reason and need to be complied with, and our task here is to

remove the capacity for vulnerable workers to be exploited. On the area of undocumented workers or illegal immigration I really have nothing else to add, and I would encourage you to refer this line of questioning in the direction of the federal government.

Ms SPRINGLE — Thank you, Minister. I do take your point that this is largely out of this jurisdiction. I just have one more question pertaining to this issue, and that is around whether the government has consulted with employee legal services, in particular those working with migrant communities, to work through the possible impacts of undocumented workers losing their jobs and their livelihoods.

17:30:00 **Ms PULFORD** — Yes, we most definitely have, including community legal centres (CLCs). There is some funding that has been made available for CLCs to provide information to people about their rights at work that we would like to think is a complement to the intent of this legislation. But specifically in relation to your question about consultation, we have certainly been consulting with organisations that represent people in the situation that you are talking about.

Mr ONDARCHIE — Minister, thank you for your response in relation to clause 54. I have some questions around your response. Would you like to discharge them now or do you want to wait until we get to clause 54?

Ms PULFORD — No, let us do it at 54.

Clause agreed to.

Clause 2

Mr ONDARCHIE — Minister, I note the Forsyth inquiry was announced in September 2015, established a month later and reported in August 2016. However, this bill was not introduced to the Parliament until December 2017. How did you go about setting the date of 1 November 2019, when that is more than three years since the Forsyth inquiry reported?

Ms PULFORD — That is the default proclamation date. It is our intention to proclaim this legislation at an earlier opportunity.

Clause agreed to.

Clause 3

Mr ONDARCHIE — Minister, in your summing up you touched on consulting firms, and I thank you for that. We are talking about organisations like PricewaterhouseCoopers, Isentia, KPMG Australia,

et cetera. I think, and no doubt you will correct me if I am wrong, you said that when they are working in firms they are acting for their own firms and providing consultancy services to that firm. Have I got that accurate so far?

Ms Pulford — Yes.

Mr ONDARCHIE — What does happen from time to time with both medium and large consulting firms when they are working for a client is should there be a vacancy like a CEO or a CFO et cetera sometimes the consulting firm, be it medium or large, will provide a temporary CEO or a temporary CFO to that company while they go through a recruiting process because they know the company so intimately, particularly around small and medium businesses. Does that then qualify the consulting firm as a labour hire firm?

Ms PULFORD — For a business to be a labour hire provider under the bill a worker supplied by the business to a host must be working in and as part of the host's business, so the ordinary work done by a consultancy firm is that their work is in and part of the business that is the consultancy firm, not part of the business of the firm's clients. So your question is less about that scenario and more about acting or a temporary role. Is that right?

Mr ONDARCHIE — Do you want me to further add to that? Have you got it or do you want me to add to it? Did you want me to add to that just to clarify or are you okay?

Ms PULFORD — So you want to know if the legislation applies to someone who is on secondment for a period?

Mr ONDARCHIE — Well, in a sense, yes. We have named some companies, like Isentia, Deloitte Australia and KPMG, but I know even for a period of time when I was working at an advisory firm I was asked to act as a CEO because the CEO departed and we were providing those advisory services. So I was asked to act as CEO for a period of time whilst they went through a full recruitment process. Would that then qualify that company as a labour hire firm?

Ms PULFORD — The regulations will exclude secondments from the coverage of the scheme.

Mr ONDARCHIE — By way of another example, a cafeteria in a hospital that has both a base cafeteria and satellite services through the hospital provides services to that hospital by way of whatever it is but they work for that particular company. Given they are

providing services to the hospital, are they a labour hire company?

Ms PULFORD — They would typically work for the company that has the contract for the catering service, so they would be an employee —

Mr Ondarchie — They are providing services just to that employer. They are providing services just to that business.

Ms PULFORD — Do they not work for that business?

Mr Ondarchie — They work for the contractor but they provide services directly for another organisation, so do they qualify?

Ms PULFORD — Is the other organisation the hospital?

Mr Ondarchie — No.

Ms PULFORD — So, no.

17:35:00 **Mr ONDARCHIE** — I did this in my second-reading speech. I am just looking for some support. Is the employer of in-house child care for a large organisation, which many organisations offer now, regarded as a labour hire service because they are providing those services directly to the company?

Ms PULFORD — No.

Mr ONDARCHIE — Often schools provide batches of work experience students to employees. Those work experience students get paid, albeit a nominal amount. Does the school then become a labour hire service because it provides a batch of work experience students to another organisation?

Ms PULFORD — I am going to, I think, make everyone listen again to the definition of who is in and who is out, because we can just keep looking at all these different scenarios that are out and I can keep ruling them all out or I can just explain it all again and maybe that will spare us all some time.

Mr Ondarchie — It's opaque.

Ms PULFORD — No, there is nothing opaque about it. I have already indicated and put on the record that work experience and educational placements will be excluded.

Mr ONDARCHIE — Jobs Victoria, through their service providers, find jobs for people to work in companies, but often they are for short-term or what

they call six or 13-week placements to try to find if that person is suitable. If they are not, they come back to the Jobs Victoria service provider. Does the government's own Jobs Victoria service provider qualify as a labour hire company, given they are given placements, be they temporary or ongoing — six or 13 weeks, and sometimes 26 weeks — in these companies? Under your definition they then become a labour hire provider.

Ms PULFORD — Jobs Victoria is not a labour hire company.

Mr ONDARCHIE — You might have missed the question then, Minister, because I said Jobs Victoria service providers that provide these employees through Jobs Victoria. That is what I was talking about. I was not talking about Jobs Victoria themselves, I was talking about their service providers.

Ms PULFORD — But you are talking about placements rather than the provision of labour contracted by a third party, are you not?

Mr ONDARCHIE — But they do. That is exactly what they do; they provide employees to companies on a temporary six or 13-week basis to see if they are going to remain on.

Ms PULFORD — In which case it would depend on the individual circumstances. We do not want Jobs Victoria service providers to be creating a new kind of loophole. That is not the intention. The intention is a simple licensing scheme for third-party labour hire-providing companies so that it is easier and simpler to trace their compliance and make more transparent their compliance with existing state and federal legislation.

Mr Leane — It sounds like a good thing.

Mr ONDARCHIE — I am not arguing about the value, Mr Leane. I am arguing about the definition. In that scenario, the one that you have just explained to me, that would mean that the Jobs Victoria job service providers would have to get a licence.

Ms PULFORD — Again, in clause 3 — definitions — 'provider' means a person who provides labour hire services. That is spelt out in more detail in clauses 7 and 8. Those two clauses are the heart of this particular piece of legislation.

So the key language here is around the provision of one or more individuals by a business to another person to perform work in and as part of a business or undertaking for the host. 17:40:00

The DEPUTY PRESIDENT — Anything further?

Mr ONDARCHIE — The minister is still answering the question, I think.

The DEPUTY PRESIDENT — I cannot force the minister.

Mr ONDARCHIE — No, I thought she was still answering, because I just asked: do they need to get a licence?

Ms Pulford — It depends if they are a labour hire company.

Mr ONDARCHIE — Well, under the definition they become one; that is my point.

Ms PULFORD — If the placement is a pure placement, then they do not. If they are providing contract labour, then they may, depending on the circumstances. If they go back at some later juncture and are directly employed, then that is just a regular employment arrangement.

Mr ONDARCHIE — You are right, Deputy President; you cannot force her to give an answer.

Ms PULFORD — You are trying very hard to not understand.

Mr ONDARCHIE — No, I am not trying to not understand. I know what is happening out there, because these job placement providers provide people into organisations —

The DEPUTY PRESIDENT — Order!

Mr ONDARCHIE — I am allowed to make a statement, Deputy President; I am sure of it — to employers on a temporary placement to see if it works out. They provide post-placement support and they provide a whole lot of training and effort and support for these people, including uniforms, transport — you name it — taxis or whatever it is. And they return if they are not suitable. Do they then need a licence? Because under your definition, they are doing exactly what you are talking about.

Mr Leane — Do they pay their wages while they are there at the placement?

Mr ONDARCHIE — No, actually. I need to answer the minister, not you.

Mr Leane interjected.

The DEPUTY PRESIDENT — Order! We have to move on.

Ms PULFORD — Mr Leane's point in his brief contribution/interjection is well made. I would refer Mr Ondarchie to my earlier answer that it would depend on individual circumstances. One useful key indicator would actually be, as Mr Leane rightly suggests, who is paying the wages.

Mr ONDARCHIE — I am glad you asked so I can help you with this. Often those job service providers in placing jobs and providing a whole lot of post-placement support, job training, uniforms, transport and all of that also provide a proportion of the salary by way of wage subsidies. So yes, in fact, they are making a contribution to the wage of the employee working in that business. Do they now need a licence?

Ms Shing interjected.

Mr ONDARCHIE — They do it; it happens every day. I am sorry you are not across the labour market, but that is happening every day. I talk to them. You just say you talk to them.

Ms PULFORD — Perhaps a final word on this before we move on: the scenario of a job placement company supporting someone to find their way back into the workforce is quite different to the provision of a labour hire service and the contracting out of labour, and it could not be more different to the scenario that we have talked about at various points, for instance, in the horticulture industry. But I am advised that the commissioner will publish guidelines to assist so that everybody is crystal clear on whether they need to check that the third party company they are using for the provision of labour is indeed requiring a licence or not — so it is all nice and clear for everybody.

Clause agreed to; clauses 4 to 14 agreed to.

Clause 15

17:45:00

Mr ONDARCHIE — Clause 15 talks about a prohibition on entering into an arrangement for labour hire services with an unlicensed provider. Minister, if there is an objection to the granting of a new licence and that takes some time, as the commissioner and then perhaps VCAT go through the whole process, and that deliberation extends beyond the expiration of the current licence, is it then prohibited that you can enter into an arrangement with a labour hire service company because their licence has expired but they are still going through either some decision or some appeal or something with either the commissioner or VCAT?

Ms PULFORD — The requirement for the host employer is simply to satisfy themselves that the supplier is included on the register. So they just need to check that they are on the register — the register will always be up to date — and so if somebody has a licence, they have one until they do not. If someone is applying for a licence, they do not have one until they do. But the register will reflect that, so that is not the sort of thing that we would want a host employer to be having to worry themselves with. They just have to check the register, and as long as the labour hire company is listed on the register, they have acquitted their very simple, sole responsibility under this legislation.

Mr ONDARCHIE — Minister, with respect, that is not what this clause says, because this clause puts the onus back on the host. It says that it is prohibited to enter into an arrangement for labour hire services with an unlicensed provider. The provision is directed at hosts and requires hosts to use only licensed providers or be subject to a civil penalty. My question was: if their licence expires due to the fact of the review, the appeal or the commissioner's decision or if VCAT are still hearing their case — and we know the backlog at VCAT — and in fact their licence has already expired, is it illegal for the host to then continue to engage with them? You talked about being on the register, but I am asking whether they actually hold a licence at that time.

Ms PULFORD — Clause 15 really needs to be read with clause 16. They are the only two clauses in the bill that place any imposition on hosts. Clause 16 relates to an arrangement being entered into with a supplier and the circumstances in which the client must not enter into the proposed arrangement, so clause 16 in essence spells that out in more detail. So it is about them knowing or having reasonable grounds to suspect. Clause 16(3) also indicates that the client needs to notify the authority if they become aware that there is a proposed arrangement that would otherwise be not occurring in accordance with this act.

Mr ONDARCHIE — Well, Minister, that is my exact point actually. The scenario I gave to you I am still yet to get some response to, and that is: if there was an objection to a licence renewal and that takes some unfortunate elongated time, and in the course of that review, appeal, decision or contemplation by the commissioner that licence date expires, is it then illegal, as a result of clause 15, for a host to enter into an additional contract?

Ms PULFORD — Again, as I have answered previously, no penalty applies for the host, so long as the supplier company is on the register.

That is not something that we want host employers to be concerned with, the question of whether someone's licence has expired, whether somebody is going through some process of having their licence reviewed or all of those scenarios Mr Ondarchie was worried that prospective host employers might have to concern themselves with. They do not have to concern themselves with that; the only thing they have to concern themselves with is whether or not the supply company is on the register. The government is assuming responsibility for making sure that the register is up-to-date, so that the hosts do not have to worry about it.

17:50:00

Mr ONDARCHIE — So, Minister, is your advice then that it is possible that the supplier companies can be on the register even if their licence is not current; is that what you are saying?

Ms PULFORD — We do not envisage that scenario occurring, but in the event it did, say somebody's licence expired on a Friday and it was Monday morning and the register had not been updated, then no penalty would apply to the host.

Mr ONDARCHIE — With respect, I was not talking about a Friday and Monday scenario, I was talking about if there is an objection late in the term of the three years, and that takes time to decide, that it is possible they will still stay on the register even though their licence has expired. Is that what you are saying?

Ms PULFORD — That is a highly unlikely, hypothetical scenario Mr Ondarchie is seeking me to respond to. We have a very simple message for host employers: check the register. If they are on the register, you are fine; if they are not, it is not okay to use them.

Clause agreed to; clause 16 agreed to.

Clause 17

Mr ONDARCHIE — Minister, clause 17 talks about the application and the fee to accompany the application. You indicated to us earlier in the contribution that in Queensland it is \$1000 for a small business licence, \$3000 for a medium business licence and \$5000 for a large business licence. What are the likely costs, by way of the fee, accompanying an application in Victoria?

Ms PULFORD — I have not got a great deal to add other than what I indicated to Ms Springle earlier. These have been developed as part of the Regulatory Impact Statement (RIS) process and the development of the regulations that I referred to and went into in some

detail before, which was the process by which people are able to put their input into that. The indication that we are able to give is the Queensland example which is a licence fee of \$1000, \$3000 and \$5000, depending on the size of the business. At this point no decision has been made one way or the other about whether there is an application fee in addition to the licence fee, so that information that I have already provided is the information I can provide you right now. Again, I refer to my earlier comments about the iterative nature of the development of the regulations and the RIS process that sits alongside it.

Clause agreed to.

Clause 18

Mr ONDARCHIE — Apropos of my question on clause 17, Minister, to run a self-funded \$4 million operation, has there been any modelling done about how many licences or applications will be applied for?

17:55:00 **Ms PULFORD** — I am advised that there are around 1200 labour hire companies operating in Victoria. Whether they apply for a licence or not, I guess, is a matter for them. There is some modelling being undertaken, and it is part of the development of the next stage of this reform subsequent to the legislation being passed.

Mr ONDARCHIE — Of those estimated 1200 labour hire companies, what does the modelling say around how they will be broken up or segmented into small, medium and large businesses?

Ms PULFORD — Work on that is still being done.

Mr ONDARCHIE — The reason I ask that question is to try and satisfy this house of review. We are trying to do the mathematics on how many small, medium and large businesses you are going to need to satisfy the \$4 million requirement to operate the business every year. Do we have any sense, even by percentage, out of the 1200 what the likely percentages are going to be? Is it 60, 30, 10, is it 70, 20, 10; what is it likely to be in terms of the break-up of the 1200 licence-holders? You must have some sense of what it looks like right now.

Ms PULFORD — I am not able to provide that information. I may be able at a later date. I am happy to take it on notice and provide it when it is available to us, but we are talking about licensing a sector that is not currently licensed, so it is not like that information is readily to hand.

Mr ONDARCHIE — That is a somewhat incredible response, that you are able to work up a budget of \$4 million yet you have no data and no modelling that helps you arrive at an operating budget per year of \$4 million. I am trying to work out how you arrive at that. To satisfy the needs of many, many people who have talked to us about it, and I suspect many people who are watching right now, we are just trying to work out how you are going to satisfy the \$4 million. If you have not worked out the application fee, I accept that. There is still some work to be done. But on the basis of 1200 labour hire companies you must have a segmented sense of what that is going to look like.

Ms PULFORD — I did not say we have no data. I just said that I was not in a position to be able to provide it in the form that Mr Ondarchie seeks this evening. There is certainly a great deal that the government knows about this sector. There are, as I indicated, around 1200 companies. I could give Mr Ondarchie the vibe about which are large, medium and small, but I think it is probably more useful if I take the question on notice and provide him with a more accurate figure at a later date.

Mr ONDARCHIE — Minister, according to the explanatory memorandum, clause 18 (1):

... will assist in preventing a person from unduly burdening the authority with repeat applications in circumstances where a licence will not be granted.

What would be the assessment to decide whether an applicant is unduly bothering the authority with a licence request?

Ms PULFORD — That would be the usual use of the word 'unduly'.

The ACTING PRESIDENT (Mr Elasmarr) — According to standing orders, I have to interrupt business and report progress.

18:00:00

Progress reported.

ADJOURNMENT

The ACTING PRESIDENT (Mr Ramsay) — The question is:

That the house do now adjourn.

Shepparton Mechanics Institute

Ms LOVELL (Northern Victoria) (18:00) — My adjournment matter is for the Minister for Regional Development, and it is regarding funding for a

proposed redevelopment of the Shepparton Mechanics Institute. The action I seek from the minister is for her to identify appropriate funding streams for the trustees of the Shepparton Mechanics Institute to help fund the redevelopment of a heritage-listed mechanics institute building. The Shepparton Mechanics Institute was established in 1877 by an order in council. The first building erected was a weatherboard structure constructed in 1880. In 1888, a brick building was erected that remains today and has heritage status. The mechanics institute is utilised by many community organisations and has a long-term lease arrangement with Shepparton Access. Shepparton Access is an organisation that encourages people with a disability to integrate into the local community.

The mechanics institute has undertaken an ongoing redevelopment over the years, which has now reached the final stage of interior renovation of the hall. The final stage of the redevelopment is the construction of a lecture theatre, a music recital area, a small stage for performances and a meeting area. The final stage of the redevelopment has been planned with the consent of officers from Heritage Victoria. Greater Shepparton City Council has issued a building permit for the redevelopment and a builder has been engaged to provide quotes for the works. The estimated costs of the works are expected to be around \$300 000 for building and fit-out. The cost of the redevelopment has been exacerbated because of the heritage status of the building. The trustees of the mechanics institute are seeking appropriate funding streams to assist in funding the final stage of the redevelopment.

I note the minister that I raise this with, the Minister for Regional Development was in the chamber when I began, but unfortunately she has left. It would have been nice to get some sort of answer from her. The action I am seeking from the minister is that she identify appropriate funding streams for the trustees of the Shepparton Mechanics Institute to help fund the redevelopment of a heritage-listed mechanics institute building.

Timber industry

Mr O'DONOHUE (Eastern Victoria) (18:00) — I raise an adjournment for the Minister for Agriculture, Minister Pulford, and it relates to timber supply agreements. I have been contacted by the Group of Six (G6): Fenning Timbers Pty Ltd of Bairnsdale, Ryan & McNulty Pty Ltd of Benalla, Dindi Sawmill Pty Ltd of Murrindindi, A. G. Brown Sawmill Pty Ltd of Drouin West, Kelly's Timber Pty Ltd of Wesburn and Powelltown Sawmills Pty Ltd of Powelltown.

These sawmills are struggling as a result of a lack of supply, following the decision of the government to purchase the Heyfield mill, and the concern they have is about supply into the future. They have written to me and asked that the government:

Agree to restore and honour the commitment made by VicForests that extensions will be available for the G6 sawmillers who signed TSAs —

timber supply agreements —

before 30 June 2017;

Put to the market any additional volumes of sawlogs returned to the industry from any buy-back, reserves or revision to sustainable yields;

Ensure that any timber supply adjustment or industry assistance/adjustment measures initiated by the ... government will be made available to all milling operations and not simply 'gifted' to Heyfield; and

Instruct the Commissioner for Better Regulation to review taxpayer funding and timber supply arrangements that substantially and unfairly advantage the Heyfield mill, and to recommend measures to ensure that the Victorian government's commitments to 'competitive neutrality' are honoured.

These are important issues that the group of six raise. They employ 200 people directly and support 700 downstream jobs, often in smaller communities — communities like Powelltown, Wesburn, Drouin West and the like. The issue of supply to these sawmills has been raised with the minister in question time by my colleagues, but it is time that clarity is provided so that their job security and the ongoing viability of these businesses can be guaranteed. 18:05:00

We on this side of the house recognise the importance these businesses have to local communities, the sustainable role that timber can play in the economy and the importance that these businesses have to the broader Victorian economy. The action I seek is that the minister meet with the group of six, listen to the issues they have raised and seek to find a resolution to these problems.

Country Fire Authority Diggers Rest brigade

Mr FINN (Western Metropolitan) (18:06) — I wish to raise a matter this evening for the Minister for Emergency Services. I have received an email this week from the captain of the Diggers Rest fire brigade, Tim Welshe, who informs me that the brigade is very keen to get hold of a light tanker crew cab to replace their existing Isuzu 3.2-litre diesel tanker.

By way of background, the Diggers Rest fire brigade is a wholly volunteer service established in 1969,

comprising 35 members. It is a good crew, I can tell you. They are wonderful people. They have served and continue to serve the local and broader community as needed, and in this financial year, up until 17 May, which was last week, the brigade has attended 251 fire call-outs. You also have to take into consideration that Diggers Rest is a rapidly growing area. It was, not so long ago, a little hamlet — but not anymore. It is growing at a rapid rate. It has probably quadrupled in size over the last six months, and it is all go for more growth in the not-too-distant future.

The fire brigade is obviously very keen to ensure that they are in the best position to fight fires if indeed they are called upon to do so. The vehicle that they are looking for is a two-wheel drive instead of the bigger, four-wheel drive one. This will eliminate the need for a heavy vehicle licence. Anybody with a drivers licence will be able to drive the new one, so they are very, very keen to get hold of this particular vehicle.

I am asking the minister to take this on board. The brigade has the required contributory funds of \$27 200 set aside already, and as I say, they are ready to go. They are more than ready to go. I know this may cause some problems with the government; I know there is not a great deal of enthusiasm for volunteers within the government, but I ask the minister to provide the necessary light tanker crew cab that the Diggers Rest fire brigade has requested and obviously needs. The fire brigade needs it, and indeed, so does the community.

The ACTING PRESIDENT (Mr Ramsay) — Mr Finn, can I just ask you to rephrase your adjournment matter in the manner of an action rather than a question? You have asked the minister, but perhaps I could suggest you seek an action.

18:10:00 **Mr FINN** — I am not sure which question I have asked. I have asked the minister to provide the truck, so I am not sure —

Honourable members interjecting.

The ACTING PRESIDENT (Mr Ramsay) — Order! This is not a debate.

Ms Symes interjected.

The ACTING PRESIDENT (Mr Ramsay) — Ms Symes! He does not need your help. The action he is seeking from the minister is for him to provide a two-wheeled tanker to Diggers Rest. We have got that. Mr Jennings has got that.

Monash City Council code of conduct

Mrs PEULICH (South Eastern Metropolitan) (18:10) — I am delighted to take part in the adjournment debate. The matter that I wish to raise is for the attention of the Minister for Local Government, Ms Kairouz. It is in relation to the operations of councillor codes of conduct — in principle, generically speaking, but also more specifically in relation to a mediation process that occurred between two City of Monash councillors: Cr Rebecca Paterson, who at the time was mayor; and Cr Robert Davies.

At a November 2017 Monash council meeting, Cr Rebecca Paterson made certain allegations regarding bullying at Monash council. Following a mediation process pursuant to the councillor code of conduct, Cr Paterson and Cr Davies agreed to publish the following joint statement, and I quote:

During the meeting on 15 November 2017, Cr Rebecca Paterson raised concerns about Cr Robert Davies's statements in that meeting.

Cr Paterson apologises for publicly calling Cr Davies a bully. Cr Paterson felt provoked by the comments made by Cr Davies at the meeting.

Cr Paterson and Cr Davies commit to working together in the future in a cooperative and constructive way to achieve the best outcomes for the Monash community.

I do not doubt the intention of both councillors to serve their communities well, but there was an agreement under a councillor code of conduct. It seems that now Cr Paterson and the City of Monash, which is responsible for this councillor code of conduct, are now unwilling to have that published. Publication implies some sort of public issuing of that statement.

The matter that I wish to raise with the minister is that I know there is a local government draft of legislation being prepared, and I ask that she ensure that the operations of councillor codes of conduct are tightened to ensure that when an agreement is reached it is properly executed and that the organisation which auspices those arrangements is responsible for the execution of those statements. In particular, I think it would be wise to counsel the City of Monash to do that. It is a Labor-dominated council, and it would be good if it continued to serve its community well. It has had some very good outcomes in the past, and it would be a shame to have a code of conduct proven to be a sham. I do not think that was the intent, and I call on the minister to intervene.

The ACTING PRESIDENT (Mr Ramsay) — Can I just get some clarity on the action you are seeking, Mrs Peulich?

Mrs PEULICH — It pertains to the operations of councillor codes of conduct, generically and specifically at the City of Monash, to ensure that any agreement that is reached as a result of a mediation process through the councillor code of conduct process is executed as per the agreement.

The ACTING PRESIDENT (Mr Ramsay) — Thank you. Mr Jennings may well want to respond on that adjournment matter tonight.

18:15:00

Responses

Mr JENNINGS (Special Minister of State)
(18:13) — Ms Lovell raised a matter for the attention of the Minister for Regional Development relating to the Shepparton Mechanics Institute. Mr O'Donohue raised a matter for the Minister for Agriculture in relation to the timber supply agreement and the allocation of timber and requests that the minister undertake some activity that I understand she has already undertaken. Mr Finn asked a question on behalf of the Diggers Rest Country Fire Authority (CFA) station, supporting them in their desire to have a new truck, and was provided by interjection from my colleague Ms Symes with information about the way in which that could be processed in the immediate future if the local CFA brigade undertook an application for a grant —

Mr Finn — Which they have already done.

Mr JENNINGS — In fact that is the pathway to the resolution of that issue. Mrs Peulich sought the support of the Minister for Local Government to deal with code of conduct matters in relation to local government. Mrs Peulich perhaps could look at the legislation that is in the Legislative Assembly to see whether the minister has already satisfied her expectation in relation to the legislation that is in the other chamber, and then she will have an opportunity to have a look at that when it arrives here. There are no further matters that I bring to the attention of the chamber this evening.

Mrs Peulich — On a point of order, Acting President, I thank Mr Jennings for his comments, but given that he does not have responsibility for that particular portfolio, I assume that was not an acquittal of the matter.

The ACTING PRESIDENT (Mr Ramsay) — I did not hear Mr Jennings say he was discharging that adjournment. He was providing some friendly advice, I thought.

The house now stands adjourned.

House adjourned 6.16 p.m. until Tuesday, 5 June.