PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

4 May 2000

(extract from Book 1)

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By authority of the Victorian Government Printer

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The Lieutenant-Governor

Professor ADRIENNE E. CLARKE, AO

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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Deputy Leader of the Parliamentary Labor Party and Deputy Premier:
The Hon. J. W. THWAITES

Leader of the Parliamentary Liberal Party and Leader of the Opposition:
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Mr P. J. RYAN

Deputy Leader of the Parliamentary National Party:
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Hardman, Mr Benedict Paul	Seymour	ALP	Savage, Mr Russell Irwin	Mildura	Ind
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Ingram, Mr Craig	Gippsland East	Ind	Stensholt, Mr Robert Einar	Burwood	ALP
Jasper, Mr Kenneth Stephen	Murray Valley	NP	Thompson, Mr Murray Hamilton	Sandringham	LP
Kennett, Mr Jeffrey Gibb [1]	Burwood	LP	Thwaites, Mr Johnstone William	Albert Park	ALP
Kilgour, Mr Donald	Shepparton	NP	Trezise, Mr Ian Douglas	Geelong	ALP
Kosky, Ms Lynne Janice	Altona	ALP	Viney, Mr Matthew Shaw	Frankston East	ALP
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Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Mr Kimberley Arthur	Wantirna	LP
Languiller, Mr Telmo	Sunshine	ALP	Wilson, Mr Ronald Charles	Bennettswood	LP
Leigh, Mr Geoffrey Graeme	Mordialloc	LP	Wynne, Mr Richard William	Richmond	ALP
Leighton, Mr Michael Andrew	Preston	ALP			

[1] Resigned 3 November 1999
[2] Elected 11 December 1999

CONTENTS

THURSDAY, 4 MAY 2000

Thursday, 4 May 2000

The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 9.35 a.m. and read the prayer.

PETITION

The Clerk — I have received the following petition for presentation to Parliament:

Sunshine Hospital

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled:

Due to the long waiting periods, some as long as 4–5 hours, at the Sunshine and Western General hospitals, patients are paying exorbitant fees for car parking. Pensioners especially are burdened, as they may have to visit frequently for treatment.

Your petitioners therefore pray that the government look at ways of reducing the cost of car parking at the Sunshine Hospital.

And your petitioners, as in duty bound, will ever pray.

By Mr LANGUILLER (Sunshine) (105 signatures)

Laid on table.

PAPER

Laid on table by Clerk:

Report of the Central Wellington Health Service for the year 1998–99.

HOUSE COMMITTEE

Membership

Mr BATCHELOR (Minister for Transport) — By leave, I move:

That Mr Leigh be discharged from attendance on the House Committee and that Mr Rowe be appointed in his stead.

Motion agreed to.

MEMBERS STATEMENTS

Alpine cattle grazing

Mr RYAN (Leader of the National Party) — I rise today on behalf of the members of the Mountain Cattlemen's Association of Victoria, those great people who for many years have had a close association with the alpine country.

In January 1998, the tragic fires in the Caledonian area burnt out some 24 000 hectares of the Alpine National Park. As a result of that event mountain cattlemen were unable to graze their cattle in the alpine areas for the subsequent season. In the following year an attempt was made by mountain cattlemen to be able to take their stock back up into the national park, but they were unable to do so because the department would not grant them permission. Subsequently the matter was referred to an independent panel. The panel reported to the Minister for Environment and Conservation, who accepted the recommendation that mountain cattlemen should not be able to graze their cattle during the course of last season.

My concern is that for the coming season mountain cattlemen need to be able to get their stock back up into the high country. From November until April next year the opportunity exists for them to do so provided they are given permission by the department. I call on the government to support the department and allow these people to do what they have done for more than 100 years: that is, graze their stock in the high country. It costs them severely if they are unable to do so because they then have to agist the cattle in other places — a huge expenditure for them. In those circumstances mountain cattlemen are not only robbed of the benefit of being able to graze their stock in the high country but also lose the benefit — —

The SPEAKER — Order! The honourable members time has expired.

David Chittenden

Mr HARDMAN (Seymour) — On the evening of last Friday, 28 April, I had the pleasure of presenting the Queen's Scout badge to David Chittenden of the Seymour Venturers unit. To achieve the Queen's Scout award potential recipients have to complete a rigorous set of requirements and be assessed by not only by their own leaders but also by district leaders, so David was under great scrutiny. An individual who chooses the Queen's Scout award as a goal for achievement must have great commitment in the first place, and I am sure whatever is learnt along the way provides a sound base for the rest of that person's life.

Any person aspiring to win the award must complete all requirements, which is a great exercise in character building.

David obviously has great character, determination and self-discipline, characteristics to be admired in a young person experiencing the rigours of teenage and adolescent years. The Queen's Scout award is

recognised by the general community. A recipient must show qualities of discipline, determination and commitment. Most worthwhile things in life take much effort. I congratulate David, along with his parents, Neil and Lesley, and his leader, Julie Parsons, who all supported and encouraged him along the way.

Sandringham Primary School

Mr THOMPSON (Sandringham) — I acknowledge the outstanding leadership and vision over the past eight years of the principal, Helen Worladge, and deputy principal, Laureen Walton, of Sandringham Primary School. During that time the school has become a leader in educational innovation and development, including expansive programs for staff development.

Importantly, infrastructure improvement has occurred to the school site. Unusually for a middle-Melbourne school, several years ago it expanded its building envelope with the acquisition of adjoining property. A community playground was organised through the initiative of Bridie Murphy where the entire school community developed this outstanding facility. More recently, the school has been involved in teacher exchange programs and other staff development initiatives.

Over the past few years under the leadership of former school council president, Philip Burn, and the current school council president, Jon Duggan, who is also an architect, much work has been done in the development of a school master plan and upgrade, funding for which has recently been announced and which formed part of the forward estimates of former education department program funding. The grant will enable a smaller school site to develop facilities more consistent with its longer term enrolment numbers. The school has a student population base of some 600 students — —

The SPEAKER — Order! The honourable member's time has expired.

Budget: Ballarat

Ms OVERINGTON (Ballarat West) — I have pleasure in speaking about the Bracks government's first budget benefits for the Ballarat West electorate and the Ballarat community. Initiatives announced in the budget strengthen education, health and employment programs in Ballarat and deliver a major boost to much-needed capital works.

Projects to be funded in my electorate include $6 million to complete the final stage of Ballarat Base Hospital, $400 000 for Gillies Street roadworks, $200 000 for an upgrade of the Eastern Oval playing surface that was promised for seven long years, and $231 000 for an upgrade of Redan Primary School.

Other specific measures announced for the Ballarat region include a commitment to the Ballarat–Melbourne fast rail link, with $80 million committed over three years for regional fast rail links, and the establishment of a 24-hour MICA unit in Ballarat, something the community has been requesting again for seven long years. Other benefits will flow to Ballarat from statewide initiatives in key areas of health, community services, education, employment and infrastructure.

Rosebud foreshore

Mr DIXON (Dromana) — The Rosebud foreshore reserve landscape management plan has now been released for public comment. Funding for the project came from a $2 million grant announced some 12 months ago by the former Premier. At the change of government $1 million was released and some capital works have commenced. The management plan formed part of the $1 million grant. I believe the rain will now send the last of the campers home and the remainder of the capital works will shortly commence.

The local community and I call on the Minister for Environment and Conservation to release the second part of the grant promised by the former government to bring the landscape plan to fruition and complete the capital works over the coming financial year.

I compliment Parks Victoria on its management of the foreshore over the past 12 months. Almost no complaints were received during a busy camping season and the communication between Parks Victoria, campers and day visitors was exemplary. The consultative manner by which the landscape plan was developed was excellent.

Drugs: supervised injecting facilities

Mr HOLDING (Springvale) — I recommend a report into safe injecting rooms released by the Youth Substance Abuse Service and Turning Point Alcohol and Drug Centre to honourable members. In producing the report the attitudes of some 215 Melbourne street-based heroin users were surveyed.

I direct two of the findings to the attention of honourable members. The first deals with the location of safe injecting rooms. It was found that the majority, or 82 per cent, of participants had injected in public — that is, public toilet, car, stairwell, lane or park at least once during the past four weeks.

When asked their most frequent location for injecting it was revealed that 56 per cent reported that they mostly injected in public places including public toilets, 17.3 per cent; laneways, 12.9 per cent; cars, 8.6 per cent; parks, 7.7 per cent; the street, 5.3 per cent; disused buildings, 2.9 per cent; and stairwells, 1.4 per cent. The report indicates that the establishment of supervised injecting facilities will go some way to reducing the public nuisance street-based heroin injecting is causing in the suburbs, including my electorate of Springvale.

The second aspect deals with the close supervision of injecting. The report concludes that the majority of participants — 82 per cent — reported that close staff supervision of injecting would not deter them from using a supervised injecting facility.

Rural Victoria: sewerage

Mr MAUGHAN (Rodney) — I draw the attention of honourable members to my concerns that the Minister for Environment and Conservation has failed to announce a decision on how she will implement the government's very clear election commitment to abolish the up-front capital contribution for small town sewerage schemes. Schemes that were under way before the change of government, including Warren Street and Wharparilla Drive in Echuca, are in limbo with residents not knowing whether or not they must pay their $1950 capital contribution. Other schemes such as Gunbower and Leitchville that were approved but not started are stalled until the minister announces where the $1950 is coming from.

If the government is genuinely concerned about the environment and in particular the health of the River Murray, as I believe all honourable members are, it is important that small town sewerage schemes proceed as rapidly as possible to prevent nutrients and waste water finding their way into the river and streams. As a matter of priority I urge the minister to announce how she will fund the up-front fees to enable the schemes, particularly in Gunbower and Leitchville, to proceed as rapidly as possible.

Hartwell Primary School

Mr STENSHOLT (Burwood) — I pay tribute to the primary schools in my electorate, particularly Hartwell Primary School, which is well led by its longstanding principal, Mr David Ross.

I had the privilege some weeks ago of addressing the weekly assembly that was extraordinarily well organised and run by the children themselves. Classes take turns to make presentations and all the children actively participate. I was pleased yesterday to host the year 6 children and their teachers, Tricia Hammond and David Dare, at Parliament House and thank the attendants and parliamentary services for their help.

In the past week or so the building of a new multipurpose performing arts centre has commenced. The school will raise some $600 000 to go with the $213 000 provided by the government, an outstanding achievement for an excellent school.

Gippsland: tourism

Mrs FYFFE (Evelyn) — In company with the shadow minister for tourism I recently visited the Gippsland and Latrobe Valley areas of Victoria. I take the opportunity of thanking the many people who made our visit so worthwhile. I particularly thank Gabrielle Gelly of the Lakes and Wilderness Tourism Board, Jennifer North, Wally Smyth of Forestech, John Glynn and Kevin Howlett, Tim Wills and Allan Gurr of the Shire of Wellington, Graham and Astrid Little of Wa De Lock cellars, members of the Dargo and Briagolong community, Jeremy Hales of the Maffra Resource and Telecentre, Bev and Bob Simpson of Wallaby Rise — a lunch that I can fully recommend — Cr Hole of the Shire of Wellington, and Bob Jamieson, the mayor, Tony Hanning, the chief executive officer, Penny Holloway, and other councillors of the Shire of La Trobe, Powerworks, members of the Walhalla Goldfields Railway and citizens of Walhalla, representatives of the Yarragon Traders Association and Gary Gaffney and Kerilyn Wyatt of the Shire of Baw Baw.

The committee also met with representatives and residents of Lakes Entrance, Bairnsdale, Paynesville, Stratford, Maffra, Briagolong, Glenmaggie, Heyfield, Traralgon, Morwell, Walhalla, Yarragon and Warragul. The trip provided committee members with a wonderful insight into the needs of tourism operators in Gippsland and the Latrobe Valley and gave me another opportunity to see the many beautiful and significant attractions that the area has to offer.

The visit provided the committee with a starting point for the future of Gippsland tourism, and I thank all the people we met for their interest, warm welcome, enthusiasm and dedication. I look forward to working with them in the future.

La Trobe University

Ms ALLAN (Bendigo East) — I raise with the house the importance of the Bendigo campus of La Trobe University to the economy of central Victoria,

to Bendigo students and their families, and to the people of central and northern Victoria. I have a strong attachment to the university, having attended there myself. I also retain my connections as a member of the alumni and as the local member of Parliament.

I was alarmed at reports as detailed by the honourable member for Bendigo West in the *Bendigo Advertiser* of 22 April that the university hierarchy in Melbourne was planning to vertically integrate Bendigo with the Bundoora campus and strip away the independent functions and administration at the Bendigo campus. Staff numbers would be cut as a result of such a vertical integration. I condemn the federal government for its narrow, short-sighted cuts to higher education, which as a direct result are putting extreme pressure on regional university campuses such as Bendigo.

I acknowledge the comments by the university's vice-chancellor in the *Bendigo Advertiser* of 27 April that there were no plans to downgrade the Bendigo campus. I urge La Trobe University to stand by that statement now and in the longer term. If anything, the Bendigo campus should be supported, upgraded and strengthened in the interests of students of country Victoria and the economy of central Victoria.

I caution La Trobe University that there would be a considerable community backlash should it decide to cut staff numbers, courses or administration at the Bendigo campus. The City of Greater Bendigo has written to me to raise its concerns about a rumoured downgrading of the university — —

The SPEAKER — Order! The honourable member's time has expired and the time set down for members statements has also expired.

ELECTRONIC TRANSACTIONS (VICTORIA) BILL

Second reading

Debate resumed from 3 May; motion of Mr BRUMBY (Minister for State and Regional Development).

Mr BRUMBY (Minister for State and Regional Development) — I will bring the debate on the Electronic Transactions (Victoria) Bill to a close by thanking all honourable members who contributed to it. I managed to be in the house to hear some, but not all, of the contributions. The parliamentary secretary, the honourable member for Mitcham, was in the house for the second-reading debate and has kept careful note of comments made. I thank honourable members for contributing to the debate on an important piece of legislation that is part of the continuing legislative change to facilitate the growth of e-commerce, information technology (IT) and electronic transactions in Victoria and throughout Australia.

Some of the latest estimates of growth in the industry suggest that in the next decade approximately 2.7 percentage points will be added to the gross domestic product (GDP) just because of the growth of e-commerce. E-commerce will drive the way business is conducted. It will drive down costs and open up new markets. I am fond of saying that in five years time we will be talking not about e-commerce or e-business but about good business practice.

The rate of change has been extraordinary; the parliamentary secretary mentioned some of the statistics on growth. It depends a little on what figures we accept, but the growth in e-commerce and electronic transactions has been truly exponential. World GDP in IT industries generally, including the contribution from e-commerce, has grown from about 3 per cent a decade ago to more than 13 per cent today. E-commerce alone can power GDP changes of 2.7 per cent over the next decade. All businesses will be involved in the e-commerce business.

In that new economy environment a modern legislative and legal framework that facilitates the growth of the industry must be in place, which is what this bill is all about. It is consistent with national and international standards for enabling legislation in the area. It implements the principle of media neutrality by providing a general rule about the validity of electronic transactions and enabling a range of requirements under Victorian law for paper documents to be satisfied by electronic means.

In many respects this is a uniform bill: it closely follows the wording of the commonwealth bill in line with the development of the national scheme. It is important that the bill have that uniformity because e-commerce — and IT generally — is a borderless industry. A mishmash of different regulatory arrangements from state to state would do no more than impinge on and restrict the growth of the industry. It is important to have a high degree of uniformity. If the opportunities exist, one state can highlight particular strengths within its own borders, but a degree of uniformity in an increasingly borderless world and borderless industry is necessary so industry growth is not restricted.

Consistent legal expression across jurisdictions will increase business and community confidence in conducting electronic commerce. Broad consultation

that was conducted by Multimedia Victoria has shown support for the form of the bill and confirmed that it is unlikely that any undesirable or unforeseen consequences will flow from the legislation.

The issue of default rules was raised during the second-reading debate. The rules put in place by the legislation take what I would describe as a commonsense approach, and it is up to the fact finders to determine where and when communications were sent or received.

As I said in my second-reading speech, only two exemptions apply to the general rule prescribed in the bill. The first is in the area of personal service requirements. A person will not be able to satisfy a legal requirement to give information if the law requires the information to be given by hand. Secondly, in the area of wills and codicils, an electronic will is not to have the same legal validity as a paper will.

No other major issues were raised. The bill is entirely consistent with uniform states and territories legislation as endorsed by the Standing Committee of Attorneys-General on 24 March this year — or at least the differences are minor.

The broad legislative area was also discussed at the meeting last year in Alice Springs of IT ministers across Australia. It was chaired by the federal communications minister, Senator Richard Alston. Those ministers are looking forward to the introduction and passage of bills such as this one because it takes an additional step along the path to a media-neutral world — a world in which decisions, facts and transactions will have the same legal effect whether communicated electronically or on paper.

Other IT legislation is on the way that will give people confidence in the infrastructure of the industry. Confidence is important, because without it people will feel restricted or inhibited about using the technologies and will not use them. We must, for example, consider how to handle state laws relating to national privacy legislation. We need a set of rules, a jurisdiction and a set of understandings that will generate confidence in institutional structures. Then, when people send material electronically — signing up for a contract, for example — they can have confidence in the system and in its security. That is important.

Honourable members' contributions to the debate have, in general, been very positive. There were some criticisms of the government by the shadow minister, the honourable member for Doncaster, but I will not take up valuable time responding to them except to say that the bill is one of a number of initiatives that have been foreshadowed or introduced by the government that will put Victoria into the leading position in the IT and ICT areas.

A check list of the initiatives taken by the government in its seven months of office starts with my ministerial statement 'Connecting Victoria'. That statement was the first in seven years in this house on IT policy, and it is significant that the government chose this chamber as the venue for setting out its policy framework for the growth of the industry. It was the first statement, although we have seen others since.

Another initiative is the Victorian E-Commerce Early Movers scheme, which delivers $1.3 million to local government. It is a fabulous project and generates a better than 95 per cent positive response.

Mr Perton interjected.

Mr BRUMBY — The honourable member foolishly offers an inane interjection. I have a file of letters from members of Parliament on his side who have written to me about the value of the VEEMS program and indicating their support for initiatives lodged by their local councils. There is widespread support across the community in business, business groups, local government and the opposition for that exciting initiative.

And why is it exciting? Because whether it is for people in Burwood East working from home or for farmers in the Wimmera linking into international markets it provides assistance with setting up of systems. It is a winner. The Go for IT program is the first traineeship program of its kind anywhere in Australia. It has 125 places and enjoys, once again, the ringing endorsement of the industry, as shown publicly and in letters to me. People acknowledge the leadership role taken by the government in that area.

The government has established the ICT Skills Taskforce. That task force, jointly chaired by Minister Kosky and me, will have no lifelong series of meetings where nothing is achieved — it will have only four meetings. We have to get on top of the problem of skills, and there are no easy answers. We want concrete recommendations from the task force and we will get them.

Multi-Service Express, which I launched in Seymour three weeks ago, carries on from some good work the former government did in the online government services area. Under the Bracks government we now have 92 services online. Even better, people can now

get onto the Web, key in www.vic.gov.au and hit a single button for Multi-Service Express.

Mr Perton interjected.

Mr BRUMBY — You could never do that using the former government's service because the government could never get its departments to agree. It had 70 services on www.vic.gov.au but the user had to know what to look for, how to spell it and where it could be found. Now there is a single button for 92 services and that is a first — not only for Australia but around the world. And who achieved that? The Bracks government.

The government has provided a wide range of new investments in the area. In seven months of office the government has approved $150 million in new investments and created 1000 new jobs. Investment in regional Victoria has included assistance to AAPT, Adacel in Wodonga — a very exciting project, and one which would not have occurred without the very strong support of the Victorian government — eSign, Primus, the mobile phone networks, and a whole range of other investments in the ICT area, all boosting jobs and opportunities.

In his budget statement earlier this week the Premier and Treasurer announced an additional $9 million in investments for Internet access facilities across the state, and I have some exciting announcements to make about that. At the moment we are auditing existing facilities and assessing future needs so that Victorians will have guaranteed Internet access whether they live in the city or in the country.

The government has also announced a fund of $800 000 for an electronic export assistance centre — yet another initiative that has not been attempted in Victoria before. We will set up a web site so that from anywhere in the state a person wishing to export products — —

Mr Perton interjected.

Mr BRUMBY — The honourable member asks what we will do with the money. We will set up the web site and the software so that people and businesses can use the facility no matter where they are in the state. Everything you need to know, every form you need, every transaction and every detail will be there. That is the sort of simple, practical and cost-effective assistance being provided by the Bracks government.

The government will expand Skillsnet to produce Skillsnet II. That service will provide an additional 40 000 places over the next three years.

Mr Perton interjected.

Mr BRUMBY — The former government provided 30 000, the Bracks government will provide 40 000. That means that more people without technological skills can gain them in the future.

The government is continuing with the Chipskills program to assist the microchip industry and will allocate $5 million to it over the next three years. Technology commercialisation programs will be funded to the amount of $20 million to assist innovation in broad areas that span biotechnology and elements of the IT industry.

Another budget initiative announced on Tuesday is the establishment of four one-stop shops in regional Victoria for electronic service delivery — —

Mr Perton — Four?

Mr BRUMBY — Yes, four centres in seven months of the Bracks government, as opposed to zero in seven years under the former government.

In all those areas Victoria is setting the pace. We are out in front, and the government is removing the impediments to those industries.

I commend the bill to the house.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

NATIONAL TAXATION REFORM (FURTHER CONSEQUENTIAL PROVISIONS) BILL

Second reading

Debate resumed from 3 May; motion of Mr BRUMBY (Minister for Finance).

Mr LENDERS (Dandenong North) — As I said in my contribution to the debate last night, the National Taxation Reform (Further Consequential Provisions) Bill is one of a series of bills that deal with fixing the mess of the goods and services tax (GST).

I have spoken about that mess before, and many other government members feel passionately about the issue. The members of the federal government and the opposition believe the GST is a fait accompli that we

should all appreciate. Although the government acknowledges the GST will come into effect on 1 July, it also takes seriously its responsibility as a state jurisdiction of fixing the mess for the benefit of all Victorians.

As I have said before, we should not let the issue rest by simply saying, 'The GST involves a macro-economic matter and because the debate is over we should leave it at that', because from 1 July onward, particularly during the first three months until small and micro businesses lodge their first pay-as-you-go returns, the implementation of the GST will cause enormous grief. It will cause as much grief for the small and micro businesses in my electorate of Dandenong North as it will for those businesses in other parts of Victoria and Australia. Leaving aside the arguments about the GST being socially regressive, as a Parliament we should also be concerned about and pay careful attention to the other effects of its implementation.

The bill is the second piece of remedial legislation introduced into Parliament. The first bill also introduced a series of measures relating to the GST. I repeat the expression I have used in several debates in the past: the GST is to small business as the boll weevil was to the cotton industry during the last century. Members of the National Party should understand that point, given that their constituents constantly feel betrayed by them. Their constituents in Benalla will be particularly aware that the GST hurts small and micro businesses in a big way.

Last night the Deputy Leader of the Opposition said that the Liberal–National partnership would support the bill — or rather, that it would not oppose the bill, which presumably means that the bill will be passed. I will refer to a few of her comments before I deal with the clauses. The government welcomes and appreciates the support of the Liberal–National partnership for the bill and the courteous remarks the Deputy Leader of the Opposition made about the briefing given by the Minister for Finance and the Department of Treasury and Finance.

I understand where the honourable member was coming from when she made some of her remarks last night. She is in opposition, and oppositions often try to take cheap pot shots at governments about revenue and other matters. However, as a person who seeks to be Treasurer of Victoria I think she should also pay some heed to protecting the revenue stream of Victoria. It is easy to be a populist opposition and to have a go at the government about revenue legislation. But as someone from a party that purports to be fiscally prudent and wishes to hold the Labor Party to account, she should also be conscience of the revenue base when making such populist statements.

The Deputy Leader of the Opposition raised a concern about the government's considered decision to impose a 5 per cent charge on Transport Accident Commission premiums as a consequence of the GST. The Minister for Finance has raised that issue in the house before, and the shadow Treasurer has expressed grave concerns about it. Every member on this side of the house supports lower taxation, which is why the government provided for business tax cuts in the budget tabled by the Treasurer this week. The imposition of tax premiums is not part of a conspiracy on the part of the Victorian Labor government; the South Australian and Australian Capital Territory Liberal governments have also imposed a 5 per cent GST component on their TAC equivalents.

The imposition of those tax premiums is something that this fiscally prudent government, which is a friend of small business, has had to do as a last resort to deal with the federal government's anti-small business, iniquitous GST. I am sure the Deputy Leader of the Opposition is aware of that, but populist gestures come about as a result of people adjusting to their roles in opposition.

The other point I wish to make about the contribution to the debate of the Deputy Leader of the Opposition is that the government is focused on issues affecting Victoria in particular. I understand she has a keen interest in the affairs of New South Wales given that she was on the staff of Peter Collins, a former New South Wales Treasurer and Minister for Health. The shadow Treasurer has a keen understanding of the New South Wales political system, and has followed with some interest the work of the New South Wales Labor government.

She refers constantly to the various things being done by Michael Egan, the New South Wales Treasurer. Although the government is also interested in what happens in New South Wales — many good things have come from that Labor government — given that it is the custodian of the state of Victoria it is more concerned with addressing matters that are important to this state. The government is more interested in what is happening in this low-taxing Bracks state — which, given this week's budget, will have lower state taxes than New South Wales — than it is in matters affecting New South Wales.

I suggest the Deputy Leader of the Opposition should focus more on the important matters concerning Victoria than on interstate matters. Victoria is where the main action is for this government. The government is

concerned with protecting the state revenue base and having a good, sound budget that is fiscally conservative and socially progressive.

The purpose of the bill is to keep Victoria within that fiscally responsible, socially progressive context rather than addressing the mess the federal Liberal Party has left in a cavalier way. The bill deals with remedial issues to address the glitches that may arise as a result of the introduction of the GST. I will leave the issues concerning the social aspects of the GST and whether it is a prudent form of taxation aside, because they have been debated at the federal level. Instead I will consider the matters that need to be addressed as a result of the introduction of the GST.

A financially prudent government wants people to plan for their retirement, but the elderly are a vulnerable group. One clause deals with the imposition of the GST on prepaid funerals. Many people are prudent enough to plan and prepay for their funerals, because they do not want their relatives arranging for a funeral at a time of grief. It is sad and unfortunate that the Victorian government has to deal with the consequences of imposing the GST on prepaid funerals.

The provisions dealing with that matter are simple. Those good citizens who have prepaid for their funerals to remove anxiety from their families at a time of grief would be unimpressed that one more level of grief and anxiety will be placed on their families as a result of imposing the GST on prepaid funerals. It is a minor clause of the bill, but it deals with the possible consequences that are typical of the imposition of the GST. The consequential amendments that affect the more senior, frail and vulnerable members of the community are similar to the provisions dealing with the GST across-the-board, particularly those that affect small and micro business.

The other issue I draw particular attention to is the effect the bill will have on gaming. The previous GST amendment bill contained provisions dealing with issues concerning Tabcorp and Tattersalls. This bill contains a number of clauses dealing with the casino. All the clauses are revenue neutral, and there is nothing controversial about them. They contain complex formulas, but they do not change the tax mix or the final bottom line on tax revenue from gaming.

The Minister for Gaming has already announced the effects of the bill, so I will not deal with those issues further. However, as a local member I become anxious when I see legislation that changes the formulas applying to the percentage of gaming revenue that goes to the punters. I can visualise the Tattersalls outlet in Menzies Avenue in my electorate of Dandenong North. Menzies Avenue has a great shopping centre. It has an unfortunate name, but other than that it has a fantastic small strip shopping centre that is typical of my electorate. Ironically, it has the strongest voting electoral booth in my electorate! The shopping centre includes a shop where people can buy their Tattslotto tickets.

I am amazed to read some of the complex clauses in the bill dealing with how, for example, the GST revenue is recouped using the one-eleventh formula. I am concerned to see clauses which say that the percentage of state revenue will drop from 36 per cent to 32.36 per cent. Other matters addressed are issues surrounding gambling neutrality; how accreditation of representatives from Tattersalls will be affected; and whether accredited representatives are independent agents or linked to Tattersalls.

All the consequential amendments arise from something as simple as ensuring that a person who pays $2.05 or $2.10 to buy a Tatts ticket will not be disadvantaged by the GST, and how the state government, the agent and Tattersalls will not be disadvantaged by the GST. One starts to wonder about the great panacea of the so-called simple tax system!

I am concerned about what will happen to my constituents in Dandenong North when they buy a Tattslotto ticket once the GST has been introduced. I am concerned that they are not disadvantaged, that the odds will not be affected so that when they buy a Tattslotto ticket they think their chances of winning are reduced because of the Prime Minister's tax. The bill will ensure that the punter who buys a Tattslotto ticket is not disadvantaged.

The obvious question is: why is the Victorian government introducing bill after bill to deal with something as simple as a punter not being disadvantaged when buying a Tattslotto ticket in the main street of my electorate? The answer is also obvious: we are dealing with the mess that has been created in this state and this country by John Howard's grand tax adventure. It has provided a grand growth industry for taxation consultants, but its complexity is creating more paperwork for ordinary people. It is providing wonderful work for accountants and for small business and microbusiness people who enjoy coming home at 8 o'clock at night and doing two hours of extra paperwork for John Howard, but it is not much fun for anybody else! I suggest that very few people in my electorate get any great joy from it.

Mr Mulder interjected.

Mr LENDERS — I understand that the honourable member for Wimmera welcomes the GST. I am sure he will take great joy in explaining to people running small businesses and microbusinesses in his electorate why it is beneficial.

Without being churlish, any tax system has its advantages and disadvantages — there is nothing joyous about a tax. But the bill is before us today because the tax system that is being imposed by the federal Liberal–National Party government is a complex tax system with many exceptions and loopholes that have been negotiated through the federal Parliament to meet the Prime Minister's political needs. The Prime Minister had to negotiate with the various interest groups in the Liberal Party as well as with the Australian Democrats and the Queensland National Party. The Queensland branch was probably the only branch of the National Party with any spine on this issue.

Certain items are exempt, such as private school fees, private health insurance and some forms of food — which the Democrats persuaded the Prime Minister to exempt. The tax must be applied to books. A distinction must be made between cooked and uncooked chicken and cut and uncut chicken! Australia will have the most complex tax system the country has seen. I imagine that the Income Tax Assessment Act is now a lot thicker and heavier than it was!

Victoria is required to fix the mess created by the federal Liberal government with the joyous applause of the previous Victorian government. That is why the bill has been introduced. The same conclusion is reached no matter whether a clause deals with a punter buying a Tattslotto ticket, a retiree who has organised a prepaid funeral or people involved in any other aspect of the bill.

I will not go to the amendments to the Racing Act provided for in the bill. A number of my colleagues have a keen interest in that act and will spend time addressing that important and complex issue which requires a lot of attention.

Existing Victorian legislation must be amended because of the GST. The statutory fees and charges provided for in clauses 18, 19 and 20 reflect legislative requirements to make amendments to the Legal Practice Act.

It is pertinent to go back to basics of legislation. Interpretation of the important role of government defines the difference between people on either side of the chamber. While the parties have common attitudes to many issues, with grey areas between, the definition of the role of government is ultimately the one that divides them. The Labor Party holds that government should play a leading role in society because if it does not do so many important social issues in the state are not addressed.

The Labor Party maintains that government needs to make laws to ensure that we live in a good and just society and that there are enough police on the streets, a decent health service and a decent education system — with safety nets in place. If they are not in place we cannot live in a good society and ultimately the rights of the individual are impaired.

The opposition has a different view. Being charitable, it believes that the market will generally sort things out and consequently the role of the state and the safety net is reduced. They are the ideological differences between the parties.

The National Party has of late become more cavalier and supportive of the free-market approach. It was known as the 'agrarian socialists party'. For much of Victoria's history it was in effective coalition with the Labor Party and as recently as 1970 directed preferences to Labor Party candidates in elections. That was primarily because the National Party considered the role of government particularly in rural communities to be to provide support and infrastructure in the community.

In 1970 the National Party — then the Country Party — had 12 of the 73 seats in the Legislative Assembly. It was then far more representative of rural and regional Victoria than it is now.

Mr Steggall interjected.

Mr LENDERS — The honourable member for Swan Hill should know that after his near-death encounter with Carl Ditterich, who challenged him at the last election! People ought be aware of the National Party abandonment of country and regional Victoria in its fetish to achieve free market economics and downsizing of government.

The fact that there are 6 National Party members in today's enlarged Parliament compared with 12 members in the smaller 1970 Parliament has a lot to do with the very reasons why Carl Ditterich almost won the seat of Swan Hill, which also provide an explanation for Warrnambool, Polwarth, Benambra and a number of other electorates being represented by Liberal members.

Debate on a bill that removes some of the complexities of the GST provides a timely opportunity to reflect on

why the community has abandoned both the National and Liberal parties.

Mr WELLS (Wantirna) — It gives me great pleasure to join the debate on the National Taxation Reform (Further Consequential Provisions) Bill. It is almost a tradition now that in debate I follow the honourable member for Dandenong North.

The bill is the second of two measures necessary to effect the national taxation reforms and meet Victoria's obligations under the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations signed in June 1999. It has been introduced to deal with the implications of the goods and services tax on Victoria.

The goods and services tax will become effective on 1 July 2000 and all GST revenue will flow to states and territories. Wholesale sales tax will be abolished on 1 July and the financial assistance grants and revenues from the federal government to the states will end. The deal made with the states guarantees that no state will be financially worse off. In addition, Victoria must find embedded tax savings of $100 million that will flow back to the commonwealth government. The Labor government is stating that, as a consequence, many taxes and charges may increase by the full 10 per cent.

The minister's second-reading speech reflects the government's carping and whining about the legislation. It states:

> While the Bracks government does not support the GST, it is obliged to honour the previous government's commitments under the Intergovernmental Agreement on the Reform of Commonwealth–State Relations.

The comments by the government are hypocritical. I would like to know what pressure the Premier is putting on Kim Beazley about his roll-back position to be taken to the next Federal election. It is one thing to say in the second-reading speech that the GST is not supported by the state Labor government — but what pressure is being applied by the Premier to Kim Beazley?

Kim Beazley has said he is going to roll back the GST, but he is all at sea in the detail of what he will do. If the state Labor government is so keen to get rid of it, the Premier should tell the federal Leader of the Opposition that he needs to abolish it. I suspect the government is being hypocritical with its rhetoric. I refer to a number of newspaper articles on Kim Beazley and the GST. It is important to put this on the record so the issue will be taken up by the Treasurer or the Minister for Finance in closing the debate and the house can be informed on what pressure will be put on the federal Labor leader to pull back the GST.

An article in the *Age* of 25 September 1998 headed 'Howard challenges Beazley to pledge to repeal a GST' states:

> The credibility of Labor's opposition to the GST was called into question by the Prime Minister, Mr John Howard, yesterday after the ALP refused to commit to the GST's repeal in the future.

Mr Beazley's position is outlined, but the future leader of the federal Labor government Mr Crean, in an interview on the same day:

> … repeatedly refused to commit a future Labor government to the repeal of a GST if it was introduced by the Howard government.

The *Sydney Morning Herald* of 1 October 1998 reports the federal Labor leader Mr Beazley as saying, 'You'll never get rid of a GST'. The article continues:

> It would be impossible for any future government to repeal a GST, or even amend it to exclude food, once it was introduced, the Leader of the Opposition, Mr Beazley, said yesterday.
>
> In an address to the National Press Club in Canberra, Mr Beazley hammered home the message that the way the Howard tax package was structured, with revenue and power over the GST to be ceded to the states, made it impossible for a federal government to repeal or amend it.

Last year just when it was thought Mr Beazley was getting some conviction in regard to his view on the GST, an article by Michelle Grattan headed 'Beazley "on road" to GST roll-back' said:

> The opposition leader, Mr Beazley, conceded yesterday that in promising to 'roll back' the GST the Labor Party was travelling an uncharted road, with a still unknown destination.

There is the leadership and vision — a comfort to the people of Victoria and Australia on the direction of the federal Labor government! It continues:

> Mr Beazley proposes to make the roll-back a central plank of Labor's election strategy for 2001.

So one minute it is an uncharted road and an unknown destination, then it is going to be an essential plank of the election strategy for 2001. Mr Beazley goes on to say:

> We're committed to rolling it back; you'll have to give us time as to what this means.

The article continues:

> Mr Beazley said there would be a 'dollar sign' attached to a GST roll-back so 'you would want your other policies in

> place before you committed to the dimension of the first phase'.

This is a wonderful opportunity for the Premier on behalf of Victorians to suggest to Mr Beazley a way to get rid of the GST. It would be consistent with the second-reading speech, and the comments of the honourable member for Dandenong North and other Labor backbenchers that the GST is bad, that Victoria will be worse off and that it should be abolished. Government members should put up their hands and have the courage to tell Kim Beazley that he should get rid of it. I suspect that will not happen.

Mr Dixon — No vision here either.

Mr WELLS — There is certainly no vision here so long as the revenue is available for the next one or two years.

Shane Stone, the former Chief Minister of the Northern Territory, spoke at a Liberal function about other Labor states. When he went to sign off on the commonwealth–state agreement he was pushed out of the way by Premier Beattie from Queensland and Premier Carr from New South Wales who could not get there fast enough to sign on the dotted line. Poor old Shane had to wait for the Labor premiers to get in there and sign up.

The second-reading speech states:

> It is reiterated there will be no windfall gain to the government arising from the fact that stamp duties will apply to GST-inclusive prices from 1 July 2000 as a result of the abolition of the wholesale tax.

The comment is in contradiction to that of the New South Wales Labor Treasurer who suspects the GST will be a windfall gain for the state and is prepared to review it.

The opposition asks the government to be prepared to review that part of the legislation where a stamp duty component is applied on top of the GST component. At this stage it is presumptuous to say there will be no windfall gain.

The GST is a broad-based growth tax. As the population increases and the economy grows the burden of tax is spread across the population. To rely on the current tax systems is unrealistic. In the mid-1980s Paul Keating, the then Treasurer, suggested a GST for Australia.

At that time the then Leader of the Opposition, the current Prime Minister, the Honourable John Howard, said to then Labor Treasurer, the Honourable Paul Keating, that if the Labor government introduced a goods and services tax the Liberal Party would support it. Of course, Treasurer Keating decided that instead of introducing a GST he would increase the wholesale sales tax on a range of selected items. For example, Quik, a powdered additive that children put into milk, is sold in two forms — chocolate Quik and pink Quik. Chocolate Quik does not attract wholesale sales tax but pink Quik is considered confectionery and 22 per cent wholesale sales tax is applied to it.

The honourable member for Dandenong North said the GST is confusing. I wonder how he would explain to people visiting Australia from overseas the application of the wholesale sales tax on some items but not on others. It is inconsistent and unfair — it is a sleaze tax. The government of the day can increase the rates of wholesale sales tax without telling the community, whereas the GST is up front. Although some items are exempt from GST most are not, and there are no other taxes linked to it.

The government has said the GST will mean Victoria will be worse off financially. I make two points about that claim. Firstly, the former Treasurer, the Honourable Alan Stockdale, ensured Victoria had a budget surplus of $1.7 billion, so I am not sure how the government will be worse off in a global sense. Secondly, the transitional arrangements in the National Taxation Reform (Consequential Provisions) Act guarantee that states will be no worse off. Under the heading 'Guarantee in legislation', paragraph C1 of appendix C states:

> Commonwealth legislation will provide a State or Territory with an entitlement to an additional amount of funding from the Commonwealth to offset any shortfall between its entitlement to GST revenue grants and the total amount of funding which would ensure that the budgetary position of a State or Territory is not worse off during the transition period.
>
> (i) In 2000–01, transitional assistance will be provided to the State or Territory as a grant or an interest free loan to be repaid to the Commonwealth in full in 2001–02.
>
> (ii) In subsequent transitional years, transitional assistance will be provided to a State or Territory as a grant.

It is nonsense for the Premier to bleat that the introduction of the GST will not ensure the financial position of the state's revenues when the legislation guarantees an entitlement to offset any shortfall. Perhaps the government has not even read its own legislation.

Part 1 of the National Taxation Reform (Further Consequential Provisions) Bill contains the introductory provisions relating to its purpose and commencement. Part 2 relates to negotiations and

contains specific provisions. Clause 3 amends the Accident Compensation Act by replacing the term 'premium' with the term 'penalty' to ensure that a penalty does not attract the GST.

Mr Steggall — It is like a legal fiddle.

Mr WELLS — It is similar. It would be unfair if the GST were to apply to a penalty. Clause 4 amends the Funerals (Pre-paid Money) Act to ensure that the GST portion of money paid for prepaid funerals is not subject to the investment requirements of the act and can be remitted to the taxation office by funeral directors.

Part 4 of the bill relates to casino operators. Clause 6 provides for the insertion of a definition of the sixth deed of variation in section 4 of the Casino (Management Agreement) Act. It will be inserted as schedule 7 of the act and is necessary to adjust the formula for the application of the GST to casino revenue.

I was unsure how a bad debt would occur at the casino. Evidently commission-based players must bet a minimum amount of money, and in some of the secluded rooms that cater for high rollers bets are taken on the basis of a nod of the head. Sometimes a person may commit to a bet by giving a nod but may not have the required money in his or her account. The amendment ensures that a bad debt will not attract the GST and can be written off. It is tightly regulated. One would suspect a person who refused to pay for a lost bet would not be allowed to gamble at the casino again.

I am disappointed that the Labor government believes cemetery fees can be increased by 10 per cent. Clause 18 provides for cemetery fees to be increased by a figure up to the amount of the GST. The assumption is that no savings will occur because of the abolition of the wholesale sales tax and that fees will be increased by the full 10 per cent. Treasury officials said that market forces will ensure that does not occur. I am not sure whether that will be so and it may be that trustees of cemeteries will increase their fees by the full 10 per cent.

The GST will be of enormous benefit to Victoria and the national reform legislation guarantees that its revenue will not suffer. The removal of the requirement to pay provisional tax will be a boon for small businesses, and I hope the honourable member for Dandenong North will advise his constituents of that fact. However, small businesses will need to keep proper accounting records, especially for taxation purposes.

Mr STENSHOLT (Burwood) — I support the National Taxation Reform (Further Consequential Provisions) Bill, which is the second bill to deal with the impact of the goods and services tax (GST). It provides the legislative changes necessary to implement Victoria's obligations under the inter-governmental agreement on the reform of commonwealth–state financial arrangements, and in doing so it deals with the indirect impact of the GST on goods or services in respect of which a legislative adjustment is required. The GST, which is to be imposed by the federal government on 1 July, is already affecting consumers through increases in insurance premiums, subscriptions to newspapers and journals, and membership fees of organisations.

The government does not support the GST and has campaigned actively against it. When I was working in support of the local Labor candidate during the last federal election campaign I spoke with all small businesses in the area and asked them what impact the GST would have on them. The government continues to point out the anomalies and problems associated with the GST.

During the debate on the previous national taxation reform bill there was extensive discussion on the anomalies. I remember referring to the teddy bear federal Treasurer who had trouble with baby clothing that had teddy bears on it. Debate also took place about hot and cold chickens. Already large volumes of books have been published explaining what is not covered by the GST. It is most likely that the Australian Tax Office is behind in issuing guidelines, advice and determinations on the implications of the GST. Small business is plagued by problems with the introduction of a tax that is clearly on the nose throughout my constituency in Burwood.

Honourable members have heard about people who are cash poor and asset rich. It is common knowledge in the Burwood electorate that pensioners on limited means will find the GST difficult because their main source of wealth is the family home, in which they may have lived for more than 50 or 60 years. Their rates and insurance premiums have already increased because of the GST, so their living costs will increase. Unemployed people and people living on low wages in public housing will also find the GST difficult because it will lead to increases in the costs of a whole range of goods and services, including school uniforms. They will be affected by imposts associated with the tax.

Approximately 30 per cent of my constituents are small business people or professionals and they have expressed concern about the GST. Those with whom I

have spoken over the past few months have said they are against the tax. Universally they have said they are anxious and that the period leading up to the introduction of the GST is a stressful time. Even members of the Liberal Party and so-called Liberal supporters in my electorate are openly critical of the GST and its implications for business.

The traders association magazine distributed at my local shopping centre recently carried an article criticising the impact of the GST and said it will cause the Howard government to lose the next election. That echoes the current thinking of those in the small business sector in my electorate. They are not silly and know when they are in trouble. Many traders and suppliers who have been in business and are 50 years or more are looking to retire early because of the changes and associated problems they anticipate with the GST.

Plumbers, electricians, shop owners and others believe the change will be so traumatic and dramatic that now is the time for them to get out. Unfortunately, 10 years from now they will regret that decision and will end up joining the ranks of those who are cash poor and asset rich — I hope they will still be asset rich — rather than enjoying a further 5 or 10 years of productive work and contribution to the community. Those who soldier on will have to bear the burden.

My local chemist said that although the introduction of the GST will cost him $20 000 for an electronic accounting system he will receive a measly $200 from the federal government. Although there is no GST on many pharmaceuticals the system is designed in such a way that he will be required to record GST for all items and subsequently remove it from items to which it does not apply. It will be an accounting nightmare.

The government is a reluctant party to the GST. However, the honourable member for Wantirna does not share that reluctance and thinks it is Christmas in the middle of the year for small business. He spoke about the transitional assistance and said that the Victorian government has nothing to worry about. The government does worry about it. The GST was to be a panacea — it was supposed to deliver manna from heaven for state governments. When will that occur? Will it be 2001 or 2002 or maybe 2003? No, the benefit of the GST and a positive cash flow to Victoria will probably come in 2007. It will not be the great panacea it has been suggested it will be.

The honourable member for Wantirna agreed that the GST will create problems. Already there are implications for the health budget of several hundred million dollars — a not insignificant sum in the total context of the state government's expenditure program. The honourable member for Wantirna also spoke about leadership, but failed to mention the record of John Howard.

The honourable member did mention him at one stage, but the Prime Minister is the man who said he would not introduce it — that there would be no GST. It was one of those read-my-lips statements.

Mr Wells interjected.

Mr STENSHOLT — We are not sure whether it was a core or non-core one. The honourable member for Wantirna talked about backbone, yet the nation's leader has introduced the GST, without any core promises, when he said he would not do so.

I have said that the government is reluctant to support the GST. However, it recognises that the intergovernmental agreement was entered into by the previous government. I wonder whether, when the GST agreement was being signed, Jeff Kennett shouldered everybody aside to make sure he signed first. We will have to ask Shane Stone, now the president of the Liberal Party, exactly what happened: I am sure he would have lined up behind and not in front of Jeff Kennett.

The bill seeks to deal with the impact of the GST in line with the intergovernmental agreement. The first GST legislation we heard about in this house several weeks ago concerned a range of matters, including the statutory fees, cessation of the financial institutions duty and reduction of taxes on Tattersalls and Tabcorp to offset the impact of the GST. It is a tricky area, as the honourable member for Wantirna has already mentioned. It is a difficult area to negotiate, which is why the consequential provisions have not been easy to introduce, calculate and negotiate. The bill deals with a further set of consequences and obligations including, for example, dealing with the impact of the GST on the casino.

It is interesting to note that part 4 of the bill, which deals with gambling legislation, contains an extensive section about the casino. It is unusual that a provision to vary the casino management agreement need be included in legislation. That is dealt with in clause 7, which provides for the ratification of the sixth deed of variation to the management agreement; and clause 9 inserts that deed as schedule 7 of the Casino (Management Agreement) Act.

It is necessary to include in the legislation the whole of the sixth deed of variation, including the signatures of the people who have signed it and even those who have

witnessed it, as well as the annexure to schedule 6. It will allow for state tax credits, a special arrangement given the peculiar contract that was entered into to set up the casino in Victoria. The annexure to the deed of variation sets out how the credit is to be calculated. It is quite a comprehensive and difficult calculation that must be carried out.

Interestingly enough, the legislation must include provisions to enable the casino to write off players' bad debts so that GST is not paid on the bad debts of ordinary players, as well as the special high rollers — that is, the commission-based players.

Other aspects of the bill include a reduction in the tax rate for interactive gaming; amendment to the accident compensation arrangements to ensure how the GST will be handled in certain circumstances; arrangements regarding prepaid funerals; amendments to set out the way Tatts lottery tickets and Soccer Pools are taxed; amendments to deal with increases in the Transport Accident Commission (TAC) premium for 2000–01; an increase in ceilings for some legal fees; an increase in cemetery fees and changes to trustee companies' commissions and fees; and the introduction of a levy after abolishing the stamp duty paid on bookmakers' turnover.

The measures ensure neutrality, that there are no taxes on taxes, and that appropriate adjustments are made in line with the federal–state agreement. Some of the provisions need further comment.

The honourable member for Dandenong North has already mentioned prepaid funerals. It is good to see the adjustments made in that regard. Some of the many elderly citizens who live in my electorate worry about their funerals. Many of their friends and family members have died and they wish to ensure their own passing is done with appropriate, quiet dignity. Many of them like to plan for it; they like certainty in their lives, which is why many have taken out prepaid funerals.

The GST is another example of adding unnecessary stress to the lives of elderly people. They have already had the stress in the past few years of the federal government's reduction in care and benefits, and the previous Victorian government was not too crash hot in that area, either. They have also seen the nursing home chaos over the past few years, and think that perhaps not even providing for their funerals is safe. Fortunately, the bill will fix up the uncertainty and provide reassurance for the elderly citizens in my electorate and throughout Victoria.

Honourable members may know of my interest in soccer as well as many other sports. Interest in soccer is thriving in Victoria among men and women, boys and girls. Certainly people at my local soccer club have been wondering what will happen with Soccer Pools. The changes in the bill will protect the level of prizes paid to punters. That is a good result for the Victorian soccer punters.

Another issue concerns the TAC premiums. It is a service; it is like insurance, so the GST will apply to TAC premiums. That will affect the majority of my constituents. The TAC will be required to pay to the Australian Taxation Office a 10 per cent levy on its premiums. The TAC must ensure it conforms to or does not contravene the Australian Competition and Consumer Commission's price exploitation guidelines for the new tax system and the GST.

I thank the actuaries who worked on this legislation, and I am thankful for the excellent and absolutely stunning briefing provided by the department. I note the shadow Treasurer has made a similar comment. I very much appreciate that assistance. The briefing included good information on the TAC; those present were informed that the government will ensure that the increase, although it will not mean a windfall profit to the TAC, will be 5 per cent. My recollection is that that means an average premium will increase from about $238 to $250.

The final aspect is the abolition of stamp duty on bookmakers' turnover. A levy of no more than 1 per cent of bookmakers' betting turnover will be introduced. That will then be turned into providing assistance to the bookmaking industry, as well as providing assistance to country and metropolitan racing.

I commend the new minister on that initiative, which represents the winds of change blowing out the cobwebs in the industry. I also commend his work in the area. The bill is another fine example of good governance by the government, and it will ensure we have good government in Victoria.

Mr STEGGALL (Swan Hill) — In joining the debate on the National Taxation Reform (Further Consequential Provisions) Bill I support the comments made by the Deputy Leader of the Opposition and the honourable member for Wantirna.

The bill is a further step in the progress of the commonwealth–state financial agreements and part of the discussion on the goods and services tax (GST) that has been going on in Australia for many years. It

amends the Accident Compensation Act, the Funerals (Pre-paid Money) Act, the Racing Act and various gambling acts. The opposition partnership does not oppose the legislation.

It is interesting to note that although in Victoria the Labor Party is opposed to a GST — not surprising given its history of having fought against it at an election and lost — the tax is now supported in states where the governments have been of a Labor persuasion for some time, particularly New South Wales and Queensland. I used to get a bit worried about why the Victorian ALP was in fervent disagreement with the GST. However, when I look at the forward estimates of the budget that has just been delivered I see why — the government needs a scapegoat to blame for the difficult times it will face if current trends continue.

It is also interesting that Labor believes the GST will not deliver benefits to the state. I can draw only one conclusion from the continual denigration of the tax by the finance minister and Treasurer — that the Labor Party is a strong and strident supporter of a wholesale sales tax. Would that be a fair, reasonable and just assumption?

Mr Smith — A deathly silence.

Mr STEGGALL — The government is silent. It would be interesting to see the result of society's subjecting the wholesale sales tax to the same scrutiny to which it is subjecting the GST. Given the confusion that exists in discussions about the GST and the fear of it that has been created it would be a fascinating exercise to examine in detail a society that made a study of and introduced such a tax.

The Labor government in Victoria is still operating in opposition mode. I sincerely wish it would start approaching government in a serious and proper manner, which it is quite capable of doing. I am fascinated that the government approaches many areas it tackles with an opposition mentality. It is doing itself no good at all by doing so.

Mr Lenders interjected.

Mr STEGGALL — I will come to that when we get to the budget debate, which will be interesting. An in-depth examination of the budget reveals it is a classic example of the approach Labor is taking to government. The government is rapidly following the trend of Labor governments in the 1980s. I was in Parliament for most of the 1980s. I watched a government destroy a state and the confidence of its people. I say to the government, 'Please be careful where you are going'.

The government now has the power, position and responsibility to govern this great state in a way that will not damage it. Its stand on the GST is not helpful to Victoria because the tax will be introduced. Although the introduction of the tax is inevitable the government of one of the major states is still opposing it and — I address this comment to the finance minister — doing just about everything it can to extract as many dollars out of the changes as is possible. The government is not implementing the GST in a reasonable and friendly manner. It is doing it because it has to, and in doing so is attempting to get as much money out of it as it can and to put as much blame as possible on the federal government, while at the same time raising its revenue base wherever possible. I am sorry that the government has decided to take that approach. However, I understand that it is doing so because it is governing with the mentality of an opposition.

The GST is an open and transparent tax. For the first time the state will have a growth tax.

Mr Lenders interjected.

Mr STEGGALL — I will come to that in a moment. Over the past 20 years of the relationship on financial matters between the commonwealth and the states, the states have been looking for a way of imposing some type of growth tax to enable them to plan better. In recent years that relationship has been better than it was in the 1970s and 1980s. It is true that the wholesale sales tax is confusing and is in many ways a secret tax. Despite all the downsides the government keeps talking about, a benefit of the GST will be that everyone will be able to see it — they will know it is being applied — as is the case in other countries where value-added taxes or goods and services taxes exist. Under a system of wholesale sales tax people have no idea where the taxation burden rests.

Country Victorians have examined with great interest where the GST will be applied. Given the wholesale sales tax burden on country areas it is easy to see why people living in Melbourne would argue against a GST — because for the first time country people might get a better taxation break than they get under the wholesale sales tax system. The GST offers advantages for country Victoria in the development of export growth. The food and fibre industries in my electorate — they are the big economic drivers in many country areas — will be able to compete overseas without the wholesale sales tax and excise systems imposing a burden on the cost of the products they export.

Whether we like it or not Australia is in a global society. Every day of the year producers in my electorate have to compete in the marketplace with Chile, South Africa, South America, the United States and Europe. The current tax burden in Australia makes it more difficult for producers to handle that competition — and they have complained for many years about those things. While the GST mark 2 is not as friendly as the first GST concept of Dr Hewson, it has real benefits for country Victorians. As a member of a minority party in Parliament I am one of those who understands well that the people opposite do not care about what life is like in country areas — the productive base of our state.

The competition that Victorian businesses now face throughout the world in their day-to-day operations is a vital component in the factors that will determine where the state will end up. The quality of life and the standards of living in country Victoria received a hell of a boost during the past seven years under the former government. Country Victoria is experiencing growth in investment and development like never before, yet the government denies it. The government recently won an election by propagating unsustainable myths. I hope the opposition will eventually win the argument. However, it is difficult for country Victorians to get their message through.

The state has 3.5 million people and all the journalists and media it needs, but the government has no interest in what happens in regional areas. When ministers travel to rural Victoria to consider arguments in favour of developments in the country, they look at what is happening in Bendigo, Ballarat and Geelong. It makes life difficult for rural members to persuade their communities that they have to compete with other nations on a daily basis because the state has so many export-driven industries.

Only about 20 per cent of farmers in this country of 19 million people are needed to produce products to supply the domestic market. Australia is an export-producing nation. Every day about one in four jobs in country Victoria depends on the export markets of its food products. So any change to a taxation regime which is unhelpful to the development and growth of rural areas is welcomed.

I wish the Labor Party would start realising that it is in government and no longer in opposition. I know it was a hell of a shock to it when it won the election — it was a shock to a lot of us — but it should start governing the state instead of trying to wobble through with a majority from the Independents.

The honourable member for Dandenong North made some interesting comments, and I enjoyed his contribution. I am delighted that an honourable member for Dandenong North has had something to say; in my 20 years in this place the electorate has fallen a bit short in that area. The honourable member referred to the confusion surrounding the goods and services tax. I refer him to the position of the Labor opposition in Canberra. A 10 per cent GST is pretty easy to understand — until exemptions are made. When the Democrats of this world — those mighty political manipulators who will take the country nowhere — came up with the concept of exempting food from the GST and really threw confusion into it — because that is where the confusion lies — who were the little bunnies who stood up alongside them and said, ‘Yes, we will drive the confusion’? It was the good old Australian Labor Party.

By its actions the Labor Party has helped make the GST issue difficult and confusing in the food and retail sectors. But it did that of its own accord. It did not ask for help, nor did it want any. Therefore, I suggest that the honourable member for Dandenong North, who talked about confusion over the GST in the retail and production sectors, should think about the fact that had it not been for the Labor Party in Canberra, the confusion would not be there. But of course members opposite are such good travellers when it comes to — —

Ms Delahunty interjected.

Mr STEGGALL — Do you mind? When it comes to the confusion you are going to have, you’ve done it. After opposing it with its great carry on, the federal opposition will not repeal the bill. It will enjoy the advantages and clarity the GST will bring.

The Victorian Labor government does not take the same position as its New South Wales and Queensland counterparts on the GST. I say to members opposite in all honesty that it would be a great help if they would take the approach of trying to assist with the introduction of the tax instead of terrorising people with their ridiculous statements and posturing on the issue.

I asked myself why the government is so vehemently opposed to the GST. Why is it looking to milk every cent out of the confusion that exists rather than using it to drive the state with its budget? The budget indicates that 800 extra police will be recruited — which might or might not be true — 350 extra teachers will be employed, 200 extra conductors and railway staff will be employed and 360 new hospital beds will be provided. Some big expenditure recurrent items will be

provided for in the budget, and I do not argue the rightness or wrongness of that. I am just stating the facts, which are that the government is creating a hefty burden on its recurrent expenditure.

When I consider the way the government's forward estimates are going I can see that, even taking into account its embedding of the $1 billion surplus it inherited from the coalition government into its budgets over the next four years, the government needs to find extra funds — and it will use the GST argument as strongly as it can to achieve those funds. However, it will have to fight for any embedded taxes, because the federal government will test it out to ensure that its approach to the introduction of the GST in Victoria is fair and reasonable.

To cover the extra recurrent expenditure in the budget the government must find new revenue in the future. The first opportunity it will have will be to load up any GST taxing mechanisms that it can — and it will. Consequently, the government will have difficulties with its commitment to tax cuts next year for the business community. It is interesting that the cuts were not in this year's budget; but it committed to them being in next year's budget — which may or may not happen.

The GST issue is an interesting one all around politically, for businesses and for society. Having been involved in government for seven years I know that governments are faced with many difficult decisions, and this government will get its share — the difficult decisions that it knows are right but which are not necessarily popular. If Labor is good enough to take such decisions it will lead the state reasonably well. To date it has not shown any sign of being capable of, nor wanting, to take difficult decisions for the advantage of Victorians. I hope Parliament will continue to use its scrutiny to ensure that the government tackles the issues that should be tackled.

If Victoria has a weak government its society will quickly fall. Country areas are dependent on how well Victoria can compete on the international market against subsidised markets and international producers. So when making decisions in the future the government might consider that not all people live in Melbourne and not all people have a guaranteed salary at the end of a week's work. Therefore, the government must ensure that in its thoughts and directions it includes the people of country Victoria, because they are very much part of and vital to the development and improvement of the state.

Mrs MADDIGAN (Essendon) — I find it extraordinary that the Liberal opposition will support so wholeheartedly a tax system that makes special provision for beer but refuses to make special provision for books or female hygiene products. I find it extraordinary that the Liberal opposition will support a tax system that says if you are a butcher the goods and services tax (GST) does not apply to chops and sausages but does apply to corned beef and satay sticks. It is extraordinary that the Liberal opposition tells me the GST is a wonderful system when if my mother lives in a retirement village her meals are GST free, but if I want to have lunch with her a calculation has to be made to add GST to the cost of my lunch.

The Liberal opposition tells us the system is simple and will be of great benefit to us all. I wonder if its members ever speak to their constituents, because I have people coming through my door every day saying, 'We do not understand the system. We need help because it is so complicated'. The system may be simple, but if one asks the Australian Taxation Office for advice on a minor detail of the GST and its application the response is, 'We do not know; it has not been decided yet' or, 'We have had no advice on that system yet'.

The honourable member for Wantirna made a number of factual mistakes, one about the size of the budget surplus. I can only assume he did not go to the budget briefing this morning. The honourable member said the bill is one of two to make adjustments to the GST when in fact it is one of three. The First Home Owner Grant Bill passed the Legislative Council in April as part of that process. Had the honourable member attended this morning's meeting he would have discovered that part of the increased expenditure in the budget is allocated to the First Home Owner Grant Bill.

He also said no state will be made worse off by the GST. That is true for the state government, but not for members of the community. Bills will have to be passed in the autumn sessional period to protect legislation and ensure Victorians will not be worse off. Nevertheless many people will be hard done by the GST. Firstly, the input credit system will severely strain people's cash flows. The complexities are demonstrated by the number of acts affected under the second consequential provisions bill, just to account for the many changes necessitated by the GST.

The honourable member for Swan Hill may not be aware of it, but books have always been exempt from sales tax. That will no longer apply under the GST, which is in fact a tax on knowledge.

The honourable member for Burwood spoke about many of the areas covered by the further consequential provisions bill, but I should like to refer in particular to racing because it plays an important role in my electorate. Apart from the fact that the headquarters of the Harness Racing Board are in my electorate, the Moonee Valley Racing Club has the best course in Australia. Many of my constituents are either bookmakers or employed in the racing industry, either at Moonee Valley or elsewhere, in associated activities.

An opposition member interjected.

Mrs MADDIGAN — If the honourable member for Malvern has a problem with the Moonee Valley Racing Club, I would be more than happy to take him to the club so that the members can explain to him why its track is the best racing track in the state, if not in Australia.

As a result of changes to the Racing Act the turnover tax applying to bookmakers was removed last year. However, that is not as important to bookmakers as it was previously, because their turnovers have decreased substantially in the past few years. Honourable members will recall concerns expressed about the various economic measures that have affected the viability of bookmakers. Because a racing club without bookmakers is like bread without butter, I look forward to seeing provisions — in fact some are contained in the state budget — that will support the racing industry and the bookmakers in particular.

The bill provides some extras. So that bookmakers may continue to generate financial returns to the racing industry the bill gives the industry the power to charge a turnover levy of 1 per cent. Enforcement powers are also provided. As an additional measure to improve the viability of the bookmaking profession the racing industry will be authorised to operate bookmaking development funds sourced from a portion of collected levies. The funds will be utilised for initiatives to advance or assist the profession. Many bookmakers who live in my electorate are pleased with both those measures and the budget initiatives.

I notice the Minister for Racing, a strong supporter of the great Moonee Valley Racing Club, is in the house at the moment.

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition and the Minister for Racing shall desist.

Mrs MADDIGAN — The bill covers many issues, but I do not think it covers the timing of the Warrnambool Cup!

Dr Napthine — It should!

Mrs MADDIGAN — The responsibility for the collection of the levy and the administration of development funds will rest with the three controlling bodies of the racing industry — the Victoria Racing Club, the Harness Racing Board, which is situated in Moonee Ponds, and the Greyhound Racing Control Board. The levy collection methods will also form the record basis for the collection of the goods and services tax on bookmakers' gross profit margins. I hope this amendment to the Racing Act will prove to be a further stimulus to bookmakers in my electorate.

Many small business people have expressed to me their concerns about the GST. Puckle Street, Moonee Ponds, a major retail sector, is part of my electorate, as are other retail sectors situated in Essendon, Strathmore and Ascot Vale. People are worried about the extra administrative tasks imposed by the GST, and small business operators, particularly those in retail establishments, must be wondering when it will end. The many changes they have had to deal with during the past few years have caused incredible stress to small family businesses in particular, which now have to deal not only with 24-hour trading from large corporations but a confusing array of extra taxes, especially in the food area.

The extra administrative work associated with the payment of GST and the collection of input credits means that small business people have to work almost 24 hours a day to keep up with it. They are faced with the choice of either doing it themselves or paying large amounts to accountants and tax advisers to do it for them. As the honourable member for Burwood said, they almost feel insulted by the measly $200 payment allowed by the federal government, which is supposed to cover all the costs they face. When people talk to me about initial costs of $2000 or $3000 just to upgrade their computer systems and software to cope with the GST, I realise that a $200 grant from the federal government is not much consolation to them.

As a librarian — it probably comes as a surprise to honourable members here to know I was a librarian — I find it interesting that Australia is the third-largest publisher of books in the world. At the time of the debate between the Australian Democrats and the federal Liberal government the Australian Publishers Association brought forward figures to show that, despite federal government protestations, the GST

would significantly increase the cost of publishing books in Australia, which would obviously affect employment levels. The APA was also concerned about the likelihood of increased competition from Internet purchasing, a subject to which I will return.

The GST is definitely a tax on knowledge. Even though local government will be exempt from GST, the availability of books in libraries will be limited because their book purchases will attract the full 10 per cent. The money is refunded three or six months later when it is put in accounts for input credits to be refunded. However, the librarians have already spent as much money as they can. Less stock is available because they cannot buy as many books as they could have the previous year with the same amount of money. Therefore there is a cost in making new books available to the community.

Libraries in local government areas face the added cost of having to pay for administrative arrangements. Members of this house are wrong when they claim that the state will be no worse off and that local government will not be penalised by the goods and services tax because they are not taking those factors into account. It is unfortunate that members are misrepresenting this situation.

I have spoken to the people who run my local library. They are concerned about the money that will be taken from their book budget and from some of their usual facilities to pay the extra administrative costs and to make up the leeway. That is just one example of the effect of the GST on a range of local government services and it will be experienced particularly when local government is purchasing goods from private providers. Local government has still not costed those activities but it will, and most local governments expect a substantial financial burden to be placed on them because of this tax.

I highlight the effect of the GST on the second-hand book trade, which is important to Victoria and employs many people. The president of the Australian and New Zealand Association of Antiquarian Booksellers, which has its headquarters located in Melbourne, has made many representations to the federal government seeking protection, unfortunately without success. The GST on second-hand books is a tax on knowledge which homes in on the most disadvantaged people in the community. Many people rely on purchasing second-hand books to gain knowledge because books are no longer cheap.

I will not list all the problems the increase of 10 per cent will create for the purchase of books generally because they have already been canvassed. However, the antiquarian booksellers association has given me some information which I am happy to make available to members. On the method of acquiring stock the association states:

> Second-hand booksellers buy, usually, from the public. Sometimes books are bought one by one, but often boxes at a time, and sometimes by 'house lots' involving hundreds or thousands of books. At the point of acquisition, it is unusual for formal documentation to be provided …

It is not the same process as applies when buying new books by which one receives an invoice. I am sure members have been to school fetes and bought boxes of books and the reference is to a similar method of purchase. The letter from the association also states:

> … while the bookseller has a notion of how the offer price was reached, it is an inexact science.

That is, each book is not priced individually. The letter continues:

> To document and record the individual price for each item in stock would be impossible.

Some second-hand booksellers have very large stocks, and the letter refers to one bookseller in Victoria having well over 200 000 books. The association points out that:

> This is necessary to provide the service customers need. It is also part of the booksellers' role of preserving the printed word for future generations.

Booksellers hold large stocks with one or two copies of each item. A bookseller does not conduct business as does a person who runs a small shop and has multiples of, say, 10 items in stock.

The association's letter continues:

> Because of the way books are acquired and the need to hold books of little real financial value for long periods of time before they are sold, the margins paid differ wildly. A book which one doubts will ever sell would be allowed at almost nothing in buying a library, whereas an item that has an almost certain immediate sale may be bought at 90 per cent of its sale price, especially it is an expensive book.

That happens fairly effectively. From the analysis done by the second-hand booksellers it seems that the imposition of a GST on second-hand books will result in impossibly onerous compliance costs. It will not be possible to pay someone to keep exact records on stock from now on, let alone to make inroads into storerooms of existing stock. Some antiquarian booksellers in the city have books they bought 10 years ago for $2 each but might sell for $20 000. When the GST is introduced those sellers will have to pay the GST on the $20 000.

Mr Lenders — Not Jeff Kennett's book!

Mrs MADDIGAN — Certainly not Jeff Kennett's book — I do not think its price will ever reach $20 000! It might be $1 in remainder bins.

Even if the bookseller could identify the input credit, the change in the value of books over time makes it a nonsense to suggest that he will get his money back on the input credits.

Internet bookselling is another threat to the employment of people in the publishing and book trades in Victoria. Yesterday much was said about bookselling. It will be strongly affected by the GST, as the letter from the antiquarian booksellers association states:

> Over the last three years, the Internet has become a major selling mechanism for many booksellers. Excellent overseas sales can bring in valuable foreign currency, but at the same time local booksellers' livelihoods are being threatened by sites such as Amazon.com and Bibliofind, offering many millions of books. A huge disadvantage would result from Australian customers finding that it is that cheaper to import the same title from England or America (both of whom do not tax books and who are our greatest competitors) owing to the presence of a GST.

The federal government's imposition of a GST on books sold here will mean that I will be able to buy a book through Amazon.com and have it delivered to Australia for less than I would pay if I went to a shop down the road and bought a similar book. For example, as our publishers sell overseas books under worldwide publishing arrangements, I will be able to import from America to Australia exactly the same book at a cheaper cost than buying it down the road because America does not apply a GST. That will have an alarming effect on the book trade, as has been identified for some time.

Mr Smith — Thanks for the tip.

Mrs MADDIGAN — If the member for Glen Waverley wants to follow a line that will threaten the jobs of Victorians, let him but I will not follow him.

Canada and New Zealand are also relevant because they apply a GST to books. The reported results of their experience is that once a 10 per cent tax was placed on books, sales fell by about the same percentage — that is, it is a fluid relationship. If that phenomenon were reproduced in Australia, it would be an absolute disaster for the Australian second-hand book trade. A 10 per cent tax would be equal to the expected take-home income of many proprietors. If the expected decline in sales happened at the same time, then the whole income of the proprietor would be gone. That emphasises the concerns about the effect the GST will have on employment in that area.

There is a considerable environmental value in recycling reading matter and a huge social value in preserving the literature of our society for the real use of the community. Fewer than 10 per cent of books are in print at any time and second-hand booksellers preserve many of the rest. The current state of publishing makes it very hard to get books that have not been published recently and the second-hand and antiquarian booksellers provide that service. On the whole, second-hand books are much cheaper than new books. They provide an invaluable source of affordable education for students and for the general intellectual nourishment of a whole community of self-educators.

That is just one example of the impact of the GST that the Liberal and National Party opposition greet with such enthusiasm. I am pleased to support the provisions of the National Taxation Reform (Further Consequential Provisions) Bill because it will protect the people of Victoria from being charged twice for some of the changes to federal legislation. Members who suggest that the GST will improve the lot of Victorians show a misunderstanding of the application of the tax to particular examples. They also show a lack of understanding of the problems that constituents in their electorates are experiencing.

It is amazing to hear members say that small retailers, small business people and large employers have not been in their offices talking about the many costs they are facing and problems they are having in implementing a system that the opposition describes as very simple — it is so simple that even the Australian Taxation Office cannot understand it!

Mr SMITH (Glen Waverley) — I start my contribution by taking up a few points made by the honourable member for Essendon. It seems the Australian Labor Party is still opposed to the goods and services tax, even after a federal election has made it clear that the people have endorsed a GST, whichever way members opposite want to say that. Interestingly enough, Paul Keating called for the introduction of a GST many years ago, and Kim Beazley has no intention of repealing that tax. Those are significant factors in a discussion of the GST.

As usual the Labor Party is scaremongering, with talk of doom and gloom for the economy. Labor members do not understand the full ramifications of the GST. They still have the Y2K bug mentality. That was reinforced by the honourable member for Essendon, who had a cheap shot at the honourable member for

Eltham. He is a businessman and has said he has already managed to scrape up $80 000 of the $100 000 required to buy the book on the Kennett years. I would not put myself in the same boat as the honourable member, because he is a businessman who has learnt how to make money. Labor members do not have the mentality of business people. If the honourable member for Eltham puts his mind to it, he will not fail to make the project a success.

I also take up another point of the honourable member for Essendon. She said that the honourable member for Wantirna had said the bill before the house is a simple bill. If the honourable member for Essendon had been listening carefully, she would know the honourable member for Wantirna was responding to the honourable member for Dandenong North, who said the GST was very confusing. The honourable member for Wantirna said it was simpler than the current wholesale sales tax. It is far simpler in its application.

Mr Maxfield interjected.

Mr SMITH — Again it has been proven that empty vessels make the most noise.

The GST is a simpler system. No-one is saying it is not complicated, but it has to be simpler than the wholesale sales tax. Normally people do not know what wholesale sales tax they are paying on items. That tax can be up to 35 per cent. At least the GST will be simpler. That is all the honourable member for Wantirna was saying. The honourable member for Essendon said that the honourable member said the bill was simple, but he was merely responding in light of another comment made. That point has now been clarified.

Many local members have had responses from constituents to the bill before the house. I am fortunate enough to have as a constituent Mr Tony Burrage of Penington Street, Glen Waverley, who contacted my office on 15 February. He was complaining at that stage that he thought a tax on a tax was being introduced — that is the point of the bill. That is by the fact that a person paying $100 on an insurance premium, $17 on a fire service levy and $3 on a commission — a total of $120 — would pay a $12 GST, now totalling $132.

My constituent says that the stamp duty at 10 per cent adds another $13.20, so the total cost of that insurance premium of $100 comes to $145.20. No-one is arguing with that. That is the general understanding in the community of what a tax on a tax means.

When my electorate office contacted the office of the Assistant Treasurer on 15 February it was told that that was the case in all the states but that New South Wales and Western Australia were supposedly looking at not applying stamp duty to the GST. As I develop my argument it will become clear what I am getting at.

I asked my constituent to put his concerns in writing, and he sent my office a letter on 29 February. The crux of the letter states:

> However, surely stamp duty should be maintained at 10 per cent of the base cost as before, and not 10 per cent of the inflated base cost + GST, as is now being applied.
>
> It would appear that the principle here is being abused and that the state government is not maintaining its original position but is profiting from the introduction of the GST.

I wrote to the Minister for Finance, who has carriage of the bill, and received a reasonable response. All members of the house should realise this. The letter from the minister states:

> Historically stamp duty has been levied on the value of transactions inclusive of any wholesale sales tax and other taxes embedded in the price of transactions. Because the rates of wholesale sales tax and other embedded taxes vary, the introduction of the GST and the concurrent abolition of those taxes will result in some values on which stamp duty is levied rising and others falling.

The minister said the following by way of example:

> If the government were to levy stamp duty on the value of transactions excluding GST, in most cases the value on which stamp duty was levied would fall and there would be an overall net loss to state revenue. Under the intergovernmental agreement signed by the previous Victorian government in July 1999 there would be no compensation provided to Victoria by the commonwealth for such lost revenue.

The minister continues:

> For this reason, the government is generally not able to eliminate stamp duty from tax bases on which GST will also apply and recently introduced legislation …

That is, the legislation before the house. He continues:

> I point out that the same approach is being taken by New South Wales and is expected to be adopted by other states.

Further the minister says the following — for the benefit of government members, this is the crux of the opposition's attack:

> The Bracks government has been careful to ensure that it does not receive a windfall gain as a result of state taxes applying to GST-inclusive values. It is acknowledged that revenue from some stamp duties will decrease (e.g. motor vehicle insurance) while for others will increase (e.g. house contents insurance) —

that is the point of Mr Burrage's letter —

> as a result of price changes brought about by the commonwealth tax package.

The next part of the letter is very important. The minister states:

> However, the overall impact of the state government's response will be revenue neutral.

That is where the opposition is at loggerheads with the government — over what is happening in New South Wales. It is an amazing claim. Honourable members need only contrast that statement with claims made by New South Wales Treasurer Michael Egan, who acknowledges the possibilities of windfall gains. The opposition wants the minister to review the situation in Victoria. When in government we were told by the bureaucrats that it would be possible to review the situation to see what possible situation could arise.

The opposition's point is that the government is not being diligent enough in examining how the problem can be overcome. Opposition members ask the minister to clarify the underlying structure in the Victorian budget that allows the minister the latitude of saying there will be no windfall gains, in contrast to what Michael Egan said as Treasurer of New South Wales. The Treasurer of New South Wales is of the same political persuasion and has acknowledged there may be windfall gains. That is the crux of the New South Wales argument.

Mr Nardella — In New South Wales.

Mr SMITH — Will you listen? The opposition is asking — —

Mr Nardella interjected.

Mr SMITH — That is very good. We are at least on the same wavelength at last.

The opposition wants the government to conduct a review. Although the minister did not say so in his second-reading speech, at the end of his letter to me he states:

> The state government is very concerned about the impact of the GST in many respects and will be monitoring the impact of the federal government's taxation changes.

In other words, he has told me in a letter that he is prepared to look at it. We ask him to go one step further and implement a review. The New South Wales Treasurer, Michael Egan, says there is a possibility. If the Minister for Finance is prepared to vigorously examine this, as we were told by the bureaucrats when we were in government, it is possible a formula could be discovered. That is the key to it.

People cannot understand that for time immemorial there has been a tax on a tax. Because of the windfall nature of the goods and services tax, why does the minister not pursue it that extra bit harder? I thought the response in his letter to me was good. In fact, on my walk the other morning I passed Mr Burrage's house and I asked him what he thought. He said it was fair but 'couldn't he go the extra step?'. I replied that in my contribution to the debate I would put it to the minister that he should go the extra step. I know the minister is listening and no doubt he will take this up in his summing up of the bill.

The budget reveals that revenue from stamp duty on property sales will be increased by 14 per cent. Stamp duty on insurance, which is the point of Mr Burrage's letter, will be increased by 17 per cent. The government has clearly already budgeted for increased stamp duty. With the extra component of stamp duty, a tax being levied on tax — which is not what the commonwealth said would occur but which will — there is a real chance we will get this windfall gain.

In conclusion, New South Wales advises there may well be a windfall gain from stamp duty applying on top of the GST after its introduction on 1 July. Minister Brumby says there will be no windfall gain, but the last sentence in his letter to me reads:

> … will be monitoring the impact of the federal government's taxation changes.

Let the bureaucrats investigate the matter, as they told us when we were in government. The partnership is calling for a review and demands a review of this area.

There are other parts the opposition believes should be looked at. One is whether the government is sufficiently diligent in examining the goods and services tax in terms of embedded tax savings, about which we have heard a lot of drivel from the government. Every economist says that $100 million of embedded tax savings is achievable. The GST is a growth tax, the revenue from which will flow back to the states. The government has not been rigorous enough in its pursuit of whether this windfall gain will be made. I call on the minister in the most unequivocal terms to ensure that he pursues this and that people know that at least he has tried, as Michael Egan has indicated he will do in New South Wales.

Mr LANGUILLER (Sunshine) — I am happy to join this important debate. I represent the electorate of Sunshine, as my parliamentary colleagues know. The people of Sunshine have a number of concerns, as do others around Australia. I am concerned because there are many unanswered questions and we are only weeks away from the implementation of the goods and services tax (GST).

The bill seeks to implement the state's obligations under the Intergovernmental Agreement on the Reform of Commonwealth–State Relations which was signed by the commonwealth and all states and territories in mid-1999. The National Taxation Reform (Consequential Provisions) Bill also deals with some indirect impacts of the GST which the Victorian government believes must be addressed with legislative changes.

The GST is a new tax to be introduced by the Howard government. The Australian Labor Party objected to it and rejected it. However, it is a tax we have to live with and the Bracks government is doing everything it can to minimise the damage and to alleviate the potential negative impact it will have on Victorians. On that basis the government will introduce a number of legislative changes. The legislative measures are outlined in the explanatory memorandum of the bill and include:

> … adjustments to gaming legislation relating to the casino and interactive gaming which reflect the state's obligation to take account of the GST in state taxation arrangements affecting gambling operators.

That is the sector we seek to protect. It also states:

> … increases in certain statutory fees and charges which are necessary as a result of the GST; certain amendments to the accident compensation penalty arrangements, prepaid funeral investment arrangements and lottery agents' commissions that are necessitated by the GST; adjustments to racing legislation following the abolition of stamp duty on bookmakers' statements; and provisions for the adjustment of the TAC's transport accident charges in 2000–01 and 2001–02.

The GST is not a new tax. It is an old tax that has existed in a number of countries around the world for a number of years and has been used for more than 20 years in Spain, France, Italy and throughout Latin America. In visits I made to those countries I perceived that their governments want to do away with such taxes. Governments wish they could walk away from GST — in other words, from value-added taxes on goods and services. Unfortunately, they are unable to remove it because it is too late. They want to get rid of the GST because of its complexity.

They now argue, as we should be arguing and continue to argue, that the question for the Labor Party at the time of the federal debate was not that Australia was not worried and did not have to undertake tax reform, but what sort of tax reform should be undertaken? The Australian Labor Party argued it did not need to embark on that debate. However, this tax reform should not be introduced in Australia because it is not the most efficient way of running the economy. It will not be the most efficient way of delivering better services to Australians and to ensure a better and greater redistribution of wealth by governments, which is a fundamental responsibility that we should all undertake.

The bill aims to correct problems — 'correct' is a word I have picked up from experts in the field; economists say that markets correct themselves. The Bracks government must correct many of the problems that Victorians are about to inherit because of the introduction of the goods and services tax.

The GST is a ridiculous tax, as illustrated by examples from Latin America and Mediterranean Europe. A waiter in Latin America or Mediterranean Europe must now pay tax on tips earned. If you earn your living by cleaning windscreens in the street because you are unemployed and trying to generate some income for yourself and your family rather than depending on the state and you want to contribute to society, you now have to pay tax on money earned. One can picture a situation 20 years down the track where the young men and women one sees cleaning windscreens — and I support them because they are earning a living and trying to make a contribution — will have to pay tax on their tips. It is already happening in many countries, and unfortunately that is the direction in which we could find ourselves heading under a conservative government such as the Howard government unless we intervene and ensure that the Australian community makes it plain that that is not on.

I understand that permission must be sought from state governments before the federal government can change or increase the tax. However, what will prevent the federal government from legislating to remove that arrangement and give itself full authority to make changes that could be detrimental at least to ordinary Australians such as those I represent in Sunshine and many of my colleagues represent in other working-class areas?

The GST will especially affect small businesses. I have undertaken hours of consultation and discussion with the Sunshine Traders Association, the Glengala Road Village Trading Association, the Deer Park Association and numerous individuals in the electorate. There are more questions about the GST than answers to them. Already traders are saying that much of their time is being taken up in administering their businesses and therefore not in generating income. Those small businesses aim to make a contribution to society. They have bought themselves a job and they fear that they will have to spend more time in administering their businesses.

Small businesses, such as the butcher shop, the drycleaner, and the kebab shop in Glengala Road, recognise that they will have to purchase software to administer the complex tax. Those businesses were recently damaged by the closure of the local Commonwealth Bank branch, which was the only bank in Glengala Road. People must now travel for some 10 to 15 minutes to undertake their business transactions.

Small business operators are unable to afford the software required to manage such a complex tax, which is anti-small business. The Howard government prides itself on being pro-business yet it is introducing a tax that will severely damage the small business community because of the technology required to administer the business and complexity of the tax. The questions raised by the community are no joke. The majority of questions have not been answered clearly enough by the taxation department or the federal government.

By way of example, parliamentary colleagues will recall that on 4 April I raised a concern about homeless people and private and public residential properties in Sunshine. At the request of a rooming-house proprietor in Sunshine on 10 April I wrote to the Treasurer Mr Peter Costello, requesting clarification on the GST. The question I asked was quite simple: how will the GST affect rooming houses? I also asked what I should say to the many homeless people in the western suburbs, in particular in Sunshine, about how the GST will affect them. I asked the Treasurer to explain the tax. I have not received a response and neither has the rooming-house proprietor, so the community has not received a response. I wonder whether Mr Peter Costello can and will explain whether the tax will affect private or state-run rooming houses. It is a straightforward question.

I am sure that at some stage Mr Costello will explain the tax or, if not, that rooming-house proprietors will find out. The explanation will be by way of imposing a tax, and people will find out when they receive a note from the taxation department. If Mr Costello cannot explain, I am sure my parliamentary colleagues opposite will raise the matter in the chamber and explain the tax so that I can provide an answer to the rooming-house proprietors in Sunshine. They need to know whether they will be affected by the GST.

I place on the record another principal concern, which I am sure many of my parliamentary colleagues and friends also have because I associate primarily with people who purchase second-hand cars. I do not know many people who can afford to buy brand new cars. Many if not the majority of people who live in my area buy second-hand cars.

An honourable member interjected.

Mr LANGUILLER — No, I do not — my brother buys second-hand cars. This is the first time I have driven a brand new car — because it has been provided to me by Parliamentary Services.

Previously second-hand cars have not attracted a wholesale sales tax. A tax will now have to be paid on second-hand cars.

Books will also attract the GST. My son and most of his friends purchase books from the Academic and General Book Exchange in Swanston Street. I know the person who runs the business and I have been to the store many times with my children and their friends. They will now have to pay tax on the books they purchase. Most of the stock in bookshops such as the Academic and General Book Exchange, which provide an extraordinary service to schools in the area and throughout Melbourne, is primarily second-hand books. The tax will have a major impact on society because it is a tax on knowledge and education. It is a tax on people in the community who are most disadvantaged and can least afford to pay it.

Questions about the services that will be affected also go on, as the honourable member for Dandenong North quite correctly pointed out to me. For example, there are questions about church services. Religious services are exempt from the GST, but other church services are not exempt.

If a church provides a service of a purely religious nature that service will not attract the tax. My understanding of the new tax system is that if I attend a church of any persuasion and it produces a book that aims to assist people to find employment that book will attract the tax. If that is not correct perhaps Peter Costello, the federal Treasurer, will provide the answer. I am sure answers can be found and theological arguments mounted about whether a church that is helping a person to find a job is engaging in a religious activity. There must be debate about that, as I am sure there will be, among people who represent church communities.

I now refer to the issue of transparency. My colleague the honourable member for Narracan made a good point when he correctly pointed out that despite the argument put forward by opposition members relating to wholesale and other taxes people in the community cannot identify what percentage of the cost of an article is tax. The question that ought to be put to the federal

government — indeed, the challenge to not only the federal government but to members of the opposition — is whether they are prepared to demand of Mr Howard and Mr Costello that it be mandatory that the amount of tax on commodities and services should be exhibited so that members of the community can clearly identify what tax they are paying on the items they purchase.

The matters I have referred to are some of the challenges involved in the GST and government members look forward to receiving answers to many of the questions from the state opposition, given that it has put on the record its clear and unequivocal support for the GST. I repeat that the Australian Labor Party wants to work, and will continue to work, constructively with the business community and the community at large. It supported the debate on tax reform and would welcome tax reform that was implemented in a different way. This is not the tax reform we had to have. The Labor Party would have put other measures in place. I am sure that when Kim Beazley becomes Prime Minister following the next election he will continue to argue that Australia can and will do better.

The Bracks government through its ministers is working in partnership with business and the community at large to make sure that every possible legislative change is made to ensure there is economic growth in the state, while at the same time ensuring the people of Victoria share in that economic growth. The bill goes some way in that direction. I commend the bill to the house.

Dr NAPTHINE (Leader of the Opposition) — I rise to join the debate on the National Taxation Reform (Further Consequential Provisions) Bill. I again state that the opposition does not oppose the bill.

An honourable member interjected.

Dr NAPTHINE — Enormous support. The bill is consequential on the tax reforms being undertaken right across Australia. Let me say clearly and unequivocally that the Liberal Party in Victoria, including the parliamentary party, fully supports and endorses the national tax reform process. Tax reform is long overdue in this country. It will have enormous benefits for Australia, for Victoria — —

Mr Nardella — Madam Acting Speaker, I direct your attention to the state of the house.

Quorum formed.

Dr NAPTHINE — As I was saying, the tax reform package is about making the taxation system in Australia more relevant to the challenges facing Australia and Victoria in the 21st century. The debate is not just about the introduction of a goods and service tax (GST), it is about a comprehensive reform of the Australian taxation system.

Honourable members interjecting.

The ACTING SPEAKER (Ms Barker) — Order! I ask honourable members to keep the level of their conversations down or leave the chamber.

Dr NAPTHINE — Wholesale sales tax, and many other state taxes, are being abolished under this reform. All revenue from the GST is being passed to the states. It is a magnificent reform of the way taxes are raised and distributed as we head into the 21st century. For the first time since the Second World War the states will have access to a growth tax. The states have been calling for such a tax for 50 years. Premiers of various political persuasions have been calling for it since the Second World War, when taxation was handed over to the federal government. The remittance of all GST revenue by the states will for the first time — —

The ACTING SPEAKER (Ms Barker) — Order! I am sorry to interrupt the Leader of the Opposition. I asked honourable members to keep down the level of their conversations. Will members please leave the chamber if they wish to carry on conversations.

Dr NAPTHINE — For the first time in 50 years the states will have access to a growth tax. They will not have to face the indignity of every year going to the begging table at the Premiers Conference and being involved in the farce of an argument between the Prime Minister, the Treasurer and the Premiers about the level of funding to be provided to the states. The states will have direct access to the growth tax and will therefore be in a better position to fund schools, hospitals, transport systems and other essential services, such as police and community safety issues.

This fundamental reform is why Premiers Beattie and Carr — the Labor premiers of Queensland and New South Wales — could not sign fast enough — they could not get to the table fast enough to sign the agreement with the federal government because they know the reform will be good both for the states they represent and for Australia. It will certainly be good for Victoria. Premier Bracks also knows it is good for Victoria. Although government members mouth platitudes about being opposed to the GST they know that this arrangement is the most courageous and far-sighted tax reform ever introduced in this country. It was put to the people at the last federal election and the

federal government was given an overwhelming mandate for it. Australians know it is good for the country — and it is good for Victoria.

The immediate benefits of this package will be the provision of increased incentives for individuals to save and work through $10 billion in income tax cuts. Under the package 80 per cent of Australian taxpayers will be on a 30 per cent or lower marginal tax rate.

The tax system will be more efficient and will remove tax penalties applying to exports, making Australian exporters more competitive on world markets. That in turn will help grow the economy, grow jobs and grow opportunities. Rather than fiddling with the tax system, as was done by former governments over the past 50 years, the tax package is comprehensive. The system is fairer and provides a boost for real jobs in all states.

For years Australian exporters have had lead in their saddlebags. The burden of paying embedded taxes has added to their production and export costs as they compete on a global market for sale of their goods. Exporters are significantly disadvantaged and have been fighting with their hands tied behind their backs because of a tax system they were forced to endure. The removal of wholesale sales tax — the secret hidden tax that over time has increased to an extraordinary level — will be revolutionary for business. Computers, machinery and general items used in the conduct of business will not be subject to tax.

I refer now to some specific benefits of the tax reform package to people in my electorate of Portland. The new and existing rebates on diesel fuel and the goods and services tax rebate will dramatically reduce production and transport costs to the farming industry. A reduction of up to 24 cents a litre on diesel fuel used in road transport will apply, as will a 44 cents a litre reduction in diesel fuel used for rail transport.

A GST rebate of 7 cents a litre on all fuel used for business, together with the off-road diesel rebate and the removal of embedded taxes from the manufacture of all products purchased in the use of their business, will mean that farmers can produce their goods at a more competitive rate. The reductions will allow farmers to sell their export products, including grain and livestock, on world markets at a more competitive rate. Many dollars will be returned to the pockets of farmers in south-west Victoria.

An analysis undertaken by the Centre for Agricultural and Regional Economics on the effects of the revised tax package on different types of farms concludes that of the five farming systems reviewed small grazing, medium grazing, cropping partnership, cropping company and horticulture would all see a significant increase in their net disposable income ranging from 12.9 per cent to 57.6 per cent. Clearly, farmers across Victoria will benefit significantly from the new tax package.

I turn now to manufacturers, in particular those who add value to farming produce. As an example, the Kraft company adds value to Victorian dairy products. The removal of embedded taxes from the manufacture of products used in business will mean that costs will fall even when products are not directly subject to a wholesale sales tax. An overall reduction in the cost of inputs into the businesses will occur. In addition, because of the diesel fuel rebates, manufacturing industry, particularly in regional and rural areas, will receive enormous benefits from reductions in the cost of road and rail transport.

Many industries in regional and rural areas are typical small businesses that provide the economic lifeblood of the community. Small businesses will benefit from the proposed revolutionary tax changes. A new single, comprehensive pay-as-you-go system will replace five existing payment systems, including the up-front payment of provisional tax that is such an impediment to the investment in small business. The prescribed payments and reportable payments systems, pay-as-you-earn, the company tax payment and reporting system will all be removed. For many businesses, 4 payments a year will replace 32 separate payments.

Distortionary taxes such as wholesale sales tax, stamp duty on marketable securities, financial institutions duty and debits tax will be progressively abolished from 1 July. In addition, small businesses may expect substantial benefits from the implementation of the recommendations of the Ralph review of business taxation. Those recommendations include the changed treatment of capital gains tax (CGT).

Some 75 per cent of any capital gain on an active asset for small businesses will be exempt from CGT and the remainder will be subject to simplified and expanded rollover and retirement provisions. In addition, a total exemption from CGT will apply to active assets held for 15 years or more where the taxpayer is 55 years of age or older and intends to retire or is incapacitated. Changes resulting from this revolutionary tax system will significantly benefit small business.

Australian exports will become more competitive, creating more jobs in Victoria, which is largely an export-generating community. I should have thought

that a government that cared about Victoria would welcome changes that help exporters and that the Minister for Manufacturing Industry would welcome a tax reform system that helped Victorian manufacturing industries to grow and develop. Instead, it mouths platitudes about caring for and supporting business but does not match its rhetoric with action.

When the Premier was Leader of the Opposition he indicated he wanted to reduce business taxes. However, he now brings his budget with its Clayton's business tax cuts to the Parliament. There are no business tax cuts in the upcoming budget for the financial year 2000–01. Business asked for one specific measure in the budget — a reduction in payroll tax. It wanted the Bracks government to continue the good work of the former coalition government that reduced payroll tax each year for the past three years of its time in power. Payroll tax is an iniquitous tax on employment and business wanted a reduction as a symbol that the Bracks government cared about Victorian business. What did it get? A sham, a zero reduction, a Clayton's message about tax cuts. The government has conned the business community.

The federal tax reform process will provide enormous benefits for Australia and Victoria.

Honourable members interjecting.

The ACTING SPEAKER (Ms Barker) — Order! I am having a great deal of difficulty hearing the Leader of the Opposition. Would honourable members behind him and on the other side of the house please lower their conversation levels?

Dr NAPTHINE — It would be interesting to hear government members say where they stand on the tax reform package. The government has said it is opposed to the GST, but is it urging the federal leader of the Labor Party, Mr Beazley, to abolish the GST if he is elected to government? Is Mr Beazley saying that he will abolish the GST? No, he is not. He is talking about a roll-back.

Australians know that when Mr Beazley is talking about rolling back the GST he is saying that the commonwealth government will need to deliver services. He is talking about rolling back the GST and massively increasing income taxes for Victorians and Australians.

Where do Victorian Labor Party members stand on Mr Beazley's proposal to increase income taxes if his party is elected to government? They are adopting a straddling-the-fence approach on this issue. They say they do not want tax reform and do not like the GST, but they are happy to accept the benefits of the GST.

It is about time the Victorian government and the federal Labor Party said where they stand on national tax reform and on wholesale sales taxes. Do they support the reintroduction of wholesale sales taxes or financial institutions duties? Do they support the imposition of unfair taxes on exporters of Australian and Victorian goods?

One can get a clue about where the Victorian Labor Party stands because through the bill the Labor Party aims to put taxes on taxes. It wants to use this opportunity to get a windfall gain for its coffers — to put a stamp duty on GST-inclusive prices. No wonder it proposes to significantly increase income from stamp duties in the 2000–01 budget — because it is seeking to obtain a windfall gain from national tax reform.

The government has an obligation to Victorians to implement the national tax reform system fairly and equitably, to make sure that the cost increases that apply in Victoria are minimised through the good tax system that will be introduced throughout Australia by the federal government. The government has an obligation to make sure fees and charges are not increased beyond what they should be — —

The ACTING SPEAKER (Ms Barker) — Order! The honourable member's time has expired.

Mr NARDELLA (Melton) — What an absolutely pathetic contribution from the Leader of the Opposition! I was responsible for making opposition members come into the house to listen to him.

Honourable members interjecting.

Mr NARDELLA — None of them wanted to listen to his contribution on the goods and services tax (GST) debate! Even now, opposition members are leaving the chamber. I noticed that not one National Party member came into the chamber to hear the contribution of the Leader of the Opposition. They understand that the Leader of the Opposition has no support for his position — —

Mr Leigh — On a point of order, Madam Acting Speaker, it is the custom in this chamber for honourable members to address the Chair. I understand the honourable member for Melton is somewhat excited and needs a tablet, but can I suggest you ask him to follow protocol and address the Chair?

The ACTING SPEAKER (Ms Barker) — Order! There is no point of order. There was some noise as

honourable members left the chamber. The honourable member for Melton can resume his contribution in the normal manner.

Mr NARDELLA — I had to act as deputy whip to get the Leader of the Opposition's own party members into the chamber to listen to his pathetic contribution to debate on the bill and his support for the GST.

The Leader of the Opposition not only supports the GST but he has publicly supported the imposition by the Prime Minister and the federal Treasurer of a tax they describe as new and simple! It is so simple that the originating commonwealth legislation consists of more than 1000 pages, with amendment after amendment being applied to it. The bill now being debated is the third aspect to be introduced in this sessional period.

The Victorian government is forced to implement the tax because the previous government signed off on it. Labor Party members do not support the tax. Unfortunately, the opposition has a fixation upon our colleagues in New South Wales, perhaps because the shadow Treasurer came from New South Wales and did a stint there — a bit like doing a tour of duty in Vietnam. One would come to that conclusion if one had done a tour of duty in New South Wales when the Liberal Party was in office in that state. Instead of concentrating on what is happening in Victoria, the opposition wants only to criticise what the New South Wales Treasurer, Michael Egan, and the Labor government are doing.

Neither our colleagues in New South Wales nor the Labor government in Queensland supports the GST. However, there is one truism: it is a tax system that has to be introduced — in Victoria, because it was signed off by the previous government; in New South Wales and Queensland, because of the inducements and the way the reform package was put together. There are no escape clauses because the states are not permitted to put themselves outside the federation of the commonwealth of Australia.

I turn to a number of comments made by opposition members. The honourable member for Swan Hill, who is a member of the National Party, was supported by a couple of other members from his party who were in the house during his contribution — unlike what happened to the Leader of the Opposition! The honourable member for Swan Hill made a couple of interesting comments and said the GST would be transparent. The GST will be so transparent that labels on products will not be allowed to display the GST applicable to the products! A couple of weeks ago Coles was audacious and displayed both pre-GST and post-GST prices on its products. Coles was forced to get rid of the labels and the idea was scrapped.

The originating legislation contains clauses that allow the applicable GST component to be displayed on the label. That is the extent of the GST transparency to be allowed by the Prime Minister, the federal Treasurer, the Australian Democrats and the Victorian opposition! Yet the honourable member for Swan Hill says that this is a transparent bill. What type of transparency does he want? His argument is that a wholesale sales tax should be transparent.

When a person bought an item that had a wholesale sales tax component in the price there was transparency: the rate of taxation appeared on the invoice and the person knew how much wholesale sales tax he or she was paying. Is the honourable member for Swan Hill saying that a payroll tax component should also be included? That is a hidden tax. Honourable members would know how much companies were paying in payroll tax. Should payroll tax be included as well? What about council and water rates? To allow for transparency in transactions perhaps those taxes should also be included.

It is facetious to say wholesale sales tax was a hidden tax given that companies are charged a range of hidden taxes. For example, financial institutions duty, bank accounts debits tax, council rates, payroll tax and a whole raft of other taxes are hidden. The honourable member for Swan Hill says that the GST is transparent and that the wholesale sales tax was not transparent. His argument falls on that basis. He also said that the government was treating the debate as if it were still in opposition.

I wish the opposition realised that it is in opposition! I wish opposition members realised their roles have changed, although I know they may become shell shocked at the realisation. Labor was shell shocked to find itself in government — I concur with honourable members on the other side on that issue — so the shock would be worse for opposition members.

They should have had an inkling they were on the nose following the Frankston East supplementary election. If they did not understand that after Frankston East they should have known after the Burwood by-election. By that stage they were not only on the nose, they smelt even worse, because they lost it as well.

As the Benalla by-election draws near the opposition accuses the government of opposing the goods and services tax (GST) legislation. The government vehemently opposes the GST, as does the federal Labor

leader, Kim Beazley. However, the reality is that the GST will be in place on 1 July. The government must deal with that reality and put a human face on it. I remember being in opposition in the other place when the honourable member for Bennetswood was in the box used by ministerial advisers.

When the Labor Party was in opposition the then Treasurer said, 'Oh well, it will be a long time before you are in government. You will never get on the benches on this side of the house'. When they were in government opposition members thought they were in for a reign of 1000 years. They thought the gold Victoria badge brigade was there forever. But the pendulum swings, and the pendulum will also swing for Kim Beazley and the Labor opposition in Canberra.

The GST, the Howard government and Treasurer Costello are hated, not only by the people in Labor Party seats and the people of the northern and western suburbs, but also by the people in the country. The honourable member for Swan Hill should remember that in the lower house the Labor Party has more country members of Parliament than the National and Liberal parties put together. That is the reality, yet the Labor Party has to deal with a tax that is absolutely despised by Labor Party voters, country people and business people.

An education forum on the GST was held in Melton after the Melton Shire Council asked the taxation department to give advice to small business operators in my community. By the end of that session the small business people were about to kill not only the taxation office representatives but also the other people conducting the seminar. The taxation office people could not answer any of their questions; they were hopeless when trying to provide a briefing on the GST. Most of the questions were prefaced with the words, 'I hate the GST'. People asked questions such as, 'Why do we have to have this new tax?', 'Why do I have to spend another hour when doing the books at night calculating the GST?', 'Why do I have to put in a business activity report every three months?', 'Why do I have to become a tax collector for the federal government?'.

Instead of 200 000 people acting as tax collectors under the wholesale sales tax regime now more than 2 million business operators will suddenly become tax agents for the commonwealth government. Most small business operators run to the wire and work 80, 90 or 100 hours a week, yet they are now facing this impost introduced by the Howard government and supported by the pathetic Victorian Liberal opposition. The Liberal opposition has gone into partnership with the National Party — they cannot get married, form a coalition or live together.

Mr Stensholt — They are not even lovers.

Mr NARDELLA — They are not even lovers. That would be an awful thought! It seems they have said, 'Let's be friends, but we won't kiss'. Yet they support the GST. They reckon it is the best thing since sliced bread. That is what the little ripper, former federal opposition leader John Hewson, thought in 1993. John Hewson was the great Messiah. He saw the light and got the GST through his party room in 1993. In 1992–93 the economic rationalists ruled. It was the epoch of those dinosaurs and they were at the peak of their influence in the federal Liberal Party.

The economic rationalists proposed the GST, but what happened? Paul Keating won the election that could not be won, the election the Liberals could not lose. That is how much the Australian community supports the GST. In 1996 John Howard went to the people of Australia and said, 'No GST', but later changed his mind. The federal Liberal Party, which had a massive majority, was returned to office at the last election with a majority of only eight seats.

The honourable member for Swan Hill supposedly represents country people and supposedly has the welfare of country people at heart, but he does not understand what is going on in his electorate. He said that the GST will boost investment for country Victorians and that there was a growth in investment under the Kennett government. Investment in rural Victoria grew by only 2 per cent in the seven years of the Kennett government's time in power. There was only a 2 per cent growth in investment for the 35 per cent of Victorians who live in rural areas.

The honourable member for Swan Hill blamed the media — Prime TV and WIN TV — because it did not support the GST. He nearly lost his seat, and if it were not for Labor preferences the honourable member for Shepparton would have lost his seat, yet they claim to represent rural Victoria. They have no right to represent Victoria and will be soundly defeated at the next election.

By contrast, the honourable member for Ripon, who is a small business operator, understands what is happening to small business in his electorate. Government members understand because they are listening. The Liberal Party — the National Party is even worse — does not listen to its constituents, particularly the small business people in the rural and country provincial areas of Victoria.

The ACTING SPEAKER (Ms Davies) — Order! I am reluctant to interrupt the honourable member for Melton, but the time has arrived for the lunch break. The honourable member for Melton will have the call when government business is again before the house.

Debate interrupted pursuant to sessional orders.

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

QUESTIONS WITHOUT NOTICE

Schools: asbestos

Mr HONEYWOOD (Warrandyte) — My question is to the Minister for Health, who seems to be absent from question time today.

Honourable members interjecting.

Mr HONEYWOOD — Where is he?

Honourable members interjecting.

Mr Batchelor — I raise a point of order, Mr Speaker: members of the opposition well know that the Minister for Health has been delayed. They just advised me of what they were doing as a courtesy to allow me to explain why he was running late. Why, then, would they come here and express mock indignation?

Mr McArthur — On the point of order, Mr Speaker, it has been a tradition that ministers, particularly Deputy Premiers, attend the house and face up to the questions in question time. This is question time, Mr Speaker.

It has been the tradition of this place that whenever a minister is absent from question time the Premier of the day gets up and announces this or advises the Chair. The Chair then advises the house of the absence of the minister and to which minister the relevant questions should be referred.

This is a clear and serious breach of the practices of the house. The minister is scurrying for cover. The hospitals are infected, people are at risk, and he refuses to come into this house.

The SPEAKER — Order! A point of order has been raised about asking a question of a minister who is not present in the chamber. The practice of the house has been that a question cannot be asked of a minister who is not present in the chamber. However, the practice has also been that another minister will answer for the absent minister. I ask the honourable member for Warrandyte to redirect his question in this instance to the Premier who will be answering for the Minister for Health.

Mr HONEYWOOD — The health situation is in crisis — —

Mr McArthur interjected.

The SPEAKER — Order! I ask the honourable member for Monbulk to cease interjecting.

Dr Napthine — On a point of order, Mr Speaker, in the circumstances, perhaps it would assist the house if a new call were made and the opposition could appropriately rearrange its question order.

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition is entitled to be heard on his point of order.

Dr Napthine — In order to assist the house, Mr Speaker, the opposition seriously wants to direct a question from the honourable member for Warrandyte to the Minister for Health and it would seek to do that when the Minister for Health arrives. I ask that you give the call to another member from this side of the house so that the honourable member for Warrandyte can appropriately address his question to the Minister for Health when he arrives, given that he has been delayed.

Honourable members interjecting.

Mr Batchelor — Mr Speaker — —

Honourable members interjecting.

The SPEAKER — Order! The Leader of the House, on the point of order.

Honourable members interjecting.

The SPEAKER — Order! Will the house come to order. I will hear no further arguments on the point of order as the matter appears to have been resolved with the appearance of the Minister for Health. I call on the honourable member for Warrandyte to ask his question.

Honourable members interjecting.

Mr HONEYWOOD — My question is to Johnny-come-lately — —

Honourable members interjecting.

The SPEAKER — Order! The Chair is conscious that it is Thursday and that the house sat until 4.15 a.m. on Wednesday. However, I will not permit that type of behaviour and I will not permit the honourable member for Warrandyte to ridicule the house in that manner. The honourable member for Warrandyte should now ask his question.

Mrs Peulich — He was only ridiculing the minister.

Mr HONEYWOOD — In view of the obvious breakdown of asbestos checking procedures in the education department and the lack of understanding of the Minister for Education about this crucial issue, can the Minister for Health assure the house that all the other 194 relocatable classrooms are safe and pose no health risk to children or teachers, and will guidelines now be issued in the absence of any information provided to schools?

The SPEAKER — Order! The Chair is having some difficulty in admitting the question to the Minister for Health. I should ask him if he has some responsibility in this area?

Honourable members interjecting.

The SPEAKER — Order! It appears to the Chair that the manner in which the question was asked refers to matters under the jurisdiction of the Minister for Education. I ask the honourable member for Warrandyte to make clear in his question the way in which it relates to matters that are under the jurisdiction of the Minister for Health.

Dr Napthine interjected.

The SPEAKER — Order! The Leader of the Opposition!

Mr HONEYWOOD — On a point of order, Mr Speaker, the question has been drafted for the Minister for Health because, on my understanding, he is responsible for health and safety — —

Honourable members interjecting.

The SPEAKER — Order! Will the house come to order, particularly the honourable member for Carrum. The Chair will not hesitate to use sessional order 10 to bring the house back to order.

Mr HONEYWOOD — On a point of order, Mr Speaker, the Minister for Health is responsible for public health. Recently legislation was passed by Parliament specifically concerning asbestosis, and the Minister for Health had the carriage of that legislation. If the Minister for Education is not willing to issue guidelines on the matter the opposition must go to the Minister for Health. If the minister responsible for public health is not willing to answer the question, I will redirect it to the Minister for Education — but I would like to know who is in charge of public health.

Mr Bracks — On the point of order, Mr Speaker, the matter raised by the shadow minister is covered under the Occupational Health and Safety Act, which is administered by the Minister for Workcover. The matter — —

Honourable members interjecting.

The SPEAKER — Order! The honourable members for Mordialloc and Doncaster should cease interjecting.

Honourable members interjecting.

Questions interrupted.

SUSPENSION OF MEMBER

The SPEAKER — Order! I have repeatedly called the house to order and called for members to show respect to the Chair while standing. The honourable member for Bentleigh has been an offender on two consecutive days. Under sessional order no. 10 I now ask her to vacate the chamber for half an hour.

Honourable member for Bentleigh withdrew from chamber.

QUESTIONS WITHOUT NOTICE

Schools: asbestos

Questions resumed.

Mr Bracks — Further on the point of order, the Occupational Health and Safety Act and the Workers Compensation Act are the relevant acts and they are the responsibility of the Minister for Workcover. On the matter of the provision of facilities in schools, the Minister for Education is the appropriate minister. It has been a principle that questions be directed to the appropriate minister according to the appropriate assignment of acts. When it comes to the provision of health services — a different matter — it is the health minister — —

Mr Cooper interjected.

The SPEAKER — Order! I ask the honourable member for Mornington to cease interjecting. I will not warn him again.

Honourable members interjecting.

Mr Bracks — It is not so much that. The health minister is keen to answer this, but the principle is important to the proper, long-term conduct of the Parliament.

Dr Napthine — On the point of order, Mr Speaker, as the Premier said, the principle of responsibility for answering the question is important. The Minister for Health is responsible in the state for matters of public health. Similarly, the minister has responsibility for the government's role in dealing with the legionnaire's disease issue at the aquarium because it is a public health matter.

Honourable members interjecting.

Dr Napthine — The legionnaire's disease outbreak is a matter of serious public health. Similarly, the serious public health matter of the vaccination of children is the responsibility of the Minister for Health.

Similarly the safety of children in the classroom and in the community with respect to mesothelioma, asbestosis or other dust diseases contaminating the environment is a public health issue. The health of children in a classroom, of the staff who work in such facilities and of members of the community who access those facilities — whether they are the mothers or fathers who hear the children read, or the carpenters or builders who undertake alterations in the classroom — is a matter of public health.

Cancerous diseases such as mesothelioma and asbestosis have a long incubation period and have a serious effect on people. The health of children is clearly a matter of public health. It is important that the Minister for Health assure children and the community in general about the health of the children and the safety of the facilities in which they operate. It is appropriate that the question be directed to the Minister for Health and it is his responsibility to answer it.

Mr Batchelor — On the point of order, Mr Speaker, I emphasise the point made by the Premier, that when questions without notice are asked in the house they should always be directed to the responsible minister in a way that is clear, unambiguous and intelligible so that the person who is to answer the question and the public at large understand the issues involved.

The Leader of the Opposition referred to asbestosis and dust diseases. Recently amendments were made to the Administration and Probate (Dust Diseases) Act, which is under the jurisdiction of the Attorney-General. The opposition is clearly making mischief. It does not care what goes on apart from its making legislative mischief. The point of order is a stunt. The question ought to be directed to the responsible minister. Otherwise you, Mr Speaker, you should call the next question.

Mr Richardson — On the point of order, Mr Speaker, I put it to you that the issue before the Chair is whether little children breathing in particles of asbestosis is a matter of public health. The question before you is whether teachers breathing in asbestosis is a matter of public health. They are matters of public health and it is appropriate for the question to be directed to the Minister for Health. It does not matter much to whom the question is directed, so long as someone answers the question.

The SPEAKER — Order! the Chair has heard argument about to whom the question should be directed. The Premier has advised the Chair that the piece of legislation referred to by honourable members in raising their points of order is with the Minister for Workcover.

Dr Napthine interjected.

The SPEAKER — Order! The Chair has been advised that the Occupational Health and Safety Act is under the jurisdiction of the Minister for Workcover.

I ask the honourable member for Warrandyte to redirect his question.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order and ask the honourable member for Warrandyte to redirect his question or to rephrase his question in a way that will make it clear to the house that the responsibility lies with the minister of whom he is asking the question.

Mr HONEYWOOD — In the light of your ruling about the particular legislation, Mr Speaker, notwithstanding that no children are covered by Workcover, I direct my question to the minister to whom you wish me to direct it, the Minister for Workcover.

In view of the obvious breakdown of procedures for checking for asbestos in the Department of Education, Employment and Training, will the Minister for Workcover assure the house that all of the

194 relocatable classrooms are safe, pose no health risk to children or workers, and importantly, will guidelines be issued by some minister so that school communities know the danger of asbestosis?

The SPEAKER — Order! In calling the Minister for Workcover, I ask him to confine his answer to those matters that are covered in the legislation that is under his jurisdiction.

Dr Napthine — On a point of order, Mr Speaker, with due respect, this is an outrage. The Minister for Workcover is not responsible for the public health of the 4000 children in Victoria who are utilising the 194 relocatable classrooms. The opposition is seeking, as it put earlier to the Minister for Health, who is responsible for safety and public health issues, an assurance that those children are safe in terms of its being a public health matter of vital importance. If you have now ruled that the Minister for Workcover cannot address the issue of the public health of those children, I suggest that the Minister for Health should be directed to answer the question because it was directed to him in the first place.

Mr Bracks — On the point of order, Mr Speaker, the matter raised by the Leader of the Opposition referred to the appropriate minister. As I submitted to you earlier, Sir, several courses of action are available to the shadow minister. The Occupational Health and Safety Act comes within the responsibility of the Minister for Workcover and facility management is the responsibility of the Minister for Education. If the shadow minister wishes, he is welcome also to ask the Premier. He has three opportunities to ask about this matter.

Mr McArthur — On the point of order, Mr Speaker, if you cast your mind back to the question posed by the honourable member for Warrandyte, which you instructed him to ask of the Minister for Workcover, you will remember that the critical point was whether the government, through whichever minister is responsible, would provide an assurance to the house and to the people of Victoria that those 194 classrooms pose no public health risk to the 4000 Victorian children who will be occupying those classrooms daily.

It would be a grave miscarriage of justice for Victorians if you, Mr Speaker, were to direct that the minister must restrict his response specifically and concisely to the powers and responsibilities under the Occupational Health and Safety Act.

Someone in this government must provide a guarantee or assurance that there is no public health risk to the 4000 children. The issue should be taken seriously by all honourable members. I am sure the parents of the 4000 children expect this matter to be regarded as extraordinarily serious. To restrict the ambit of the minister's response is a grave injustice to those children and their parents.

I ask you, Sir, to allow the minister to provide a full response that will allow the parents of the children to gain some comfort from the knowledge that someone is in control of the risks in this matter associated with public health.

Mr Cooper — Mr Speaker — —

The SPEAKER — Order! I have heard sufficient on the point of order. In calling a minister to answer a question the Chair has the expectation that the minister will answer for the jurisdiction within his portfolio or administration. In listening to the numerous points of order, it has become clear to the Chair that this question cuts across a number of different portfolios. I suggest a solution to the house: I ask the honourable member for Warrandyte to redirect his question to the Premier, who will answer for the government.

Mr HONEYWOOD — As directed by you, Mr Speaker, I now direct my question to the Premier. In view of the obvious breakdown of asbestos stock-checking procedures in the education department, can the Premier assure the house that all of the 194 relocatable classrooms are in fact safe and pose no health risk at all to children, and that guidelines and information will now be provided to schools, which to date have not received any information from any minister in this government?

Mr BRACKS (Premier) — It is a serious matter, which I shall answer in some detail. The education department's records show that absolutely no decommissioned classrooms have been brought back into service. I shall repeat that: no decommissioned classrooms have been brought back into service. I have been informed by the department that 195 portable classrooms were moved over the school holiday period. All were surplus to the requirements of other schools due to enrolment fluctuations or major school upgrades. All were audited in accordance with health and safety requirements. Eighteen of those classrooms were stored temporarily while awaiting a new location. Those 18 classrooms were used as teaching spaces under the previous government.

Honourable members interjecting.

The SPEAKER — Order! The house will come to order.

Mr BRACKS — All of those classrooms — not 194, as the shadow minister mentioned, but 195 — were used under the previous government. I repeat: none has been decommissioned.

Mr Leigh interjected.

The SPEAKER — Order! The honourable member for Mordialloc will cease interjecting. I will not warn him again.

Business: government policy

Mr MILDENHALL (Footscray) — I refer the Premier to the government's election promise to manage Victoria's finances in a responsible manner and ask him to inform the house of the reaction of the business and finance community to the government's commitment to build a competitive environment for Victorian business.

Mr BRACKS (Premier) — The government is committed to building a business environment that is competitive not only with other states but internationally, and with the Asia–Pacific region in particular, and in which Victorian businesses can operate and new business can occur.

Under the government the budget will remain substantially in surplus, with a $592 million surplus in 2000–01 and an average surplus of $450 million in the forecast period. However, the good news for business is not confined to the substantial surplus, which Standard and Poor's described as one that will assist in retaining the AAA rating. The government's commitment to infrastructure projects, including the Growing Victoria reserve, will create substantial opportunities for the private sector to partner the government in delivering new projects across the state. Those opportunities will occur right across Victoria. New rail, road and other major infrastructure projects will enable business to join with the government in linking, skilling and connecting Victoria in the future. New trainee and apprenticeship places will also be established as part of the government's programs.

But there is more good news. As well as the package of investment, a major surplus and new apprenticeships there will also be a total of $400 million in tax cuts over the next four-year period. As most honourable members would realise from reading the newspapers, the budget has been roundly endorsed by the business and finance communities. I will refer to a sample only of those responses. Terry McCrann, a respected economic commentator in Victoria and nationally, wrote in the *Herald Sun*:

> A sensible balance between the tax burden, modest and focused new spending, and overall fiscal responsibility.

Rick Sheppard from Standard and Poor's, one of the two credit rating agencies, said:

> Our focus is on financial integrity, and our reading of the budget is that it's consistent with a AAA rating.

Allan Mitchell from the *Australian Financial Review* said:

> Business will be relieved that yesterday's budget was a relatively moderate document with a reasonable bottom line.

Two key business organisation leaders commented on the budget. Nicole Feely from the Victorian Employers Chamber of Commerce and Industry, described it as:

> A sound document. The pledge to a $592 million budget operating surplus will go a long way towards retaining the state's AAA rating.

Finally, Paul Fennelley of the Australian Industry Group said:

> The initiatives to encourage investment, innovation, training and regional development will help consolidate Victoria's position as a centre for manufacturing excellence. We welcome the commitment to reduce taxes.

The budget is on the right track. It is a pro-business budget that has been endorsed roundly by the business community not only in Melbourne but right across country and regional Victoria.

Minister for Police and Emergency Services: conduct

Dr NAPTHINE (Leader of the Opposition) — I refer the Premier to the doctrine of the separation of powers and to media reports of attempts by the Minister for Police and Emergency Services to interfere in the appointment of a new Deputy Commissioner of Police. I ask the Premier to instruct his minister not to interfere in the appointment process for the new Deputy Commissioner of Police in Victoria.

Mr Nardella — On a point of order, Mr Speaker, at 2.15 p.m. the honourable member for Bentleigh was asked to leave the chamber. The honourable member for Bentleigh has come back into the chamber before the time set by the Speaker has expired. I ask you to uphold your ruling.

The SPEAKER — Order! On the point of order, the honourable member for Bentleigh — —

Mrs Peulich — On the point of order, Mr Speaker — —

The SPEAKER — Order! Before taking a comment from the honourable member for Bentleigh, I indicate that I am advised by the Clerk that the time recorded for the return of the honourable member for Bentleigh is 2.42 p.m. I ask her to stay out of the chamber until that time.

Honourable members interjecting.

Mrs Peulich — Mr Speaker — —

The SPEAKER — Order! The Chair has asked the honourable member for Bentleigh to vacate the chamber until 2.42 p.m.

Honourable member for Bentleigh withdrew from chamber.

Mr BRACKS (Premier) — In answer to the question from the Leader of the Opposition I can indicate that the Chief Commissioner of Police, Mr Comrie, and the Minister for Police and Emergency Services are in accord on how to proceed on the appointment of a deputy police commissioner. That was indicated by the chief commissioner in the press today, and I reiterate it now. I understand that the chief commissioner and/or the minister will announce the appointment of the acting deputy commissioner at some stage today. The question of — —

An honourable member interjected.

Mr BRACKS — I am answering the question about that. On the question of the long-term appointment of the deputy commissioner, as I indicated — the Leader of the Opposition may not have heard — the appointment of the acting deputy commissioner will be announced today. It is a decision on which the police commissioner and the police minister are in accord.

The long-term issue of the appointment of assistant and deputy commissioners is part of the Johnson review. The minister and the police commissioner are working on the Johnson review, and the final filling of the positions will depend on the outcome of that review.

On the supplementary question asked by the Leader of the Opposition — I should not answer supplementary questions, but I will answer it — an unrelated matter has come to my mind. I think the chief commissioner is doing a fantastic job. He has my utmost and unquestioned support. I think the police minister is also doing a fantastic job. Together they make a great team.

East Timor: government assistance

Mr LIM (Clayton) — I refer the Premier to the Victorian government's commitment to play its part in the rebuilding of East Timor and I ask: will the Premier inform the house of the government's latest action to assist that nation?

Mr BRACKS (Premier) — I thank the honourable member for Clayton for his question. This morning I met with Mr Xanana Gusmao, the President of the National Council of Timorese Resistance. As all members would appreciate he is a great leader of a great people, and is warmly welcome on his visit to Melbourne and Victoria.

Mr Gusmao informed me that the task of rebuilding his nation is an enormous one and that a concerted effort from the international community, including the community in Victoria, will be required to achieve the task.

We discussed in detail the particular problems for the youth of East Timor, including the problem of young East Timorese finishing their schooling but not being able to find employment, and the dislocation that is occurring, particularly in the country and regional areas of East Timor, which is a very small country.

The Victorian community, like the Australian community, has reacted magnificently to the plight of the people of East Timor. Governments at all levels are working towards the task of rebuilding the nation and making sure it is ready to take its place in the international community.

Today I informed Mr Gusmao that the Victorian government would offer six placements in the Victorian public service for East Timorese people to assist them with the establishment of a new public service in their own country. Participants in the placements will be trained in government administration and the technical aspects of the government departments where they are placed.

After having discussions with the head of my department I indicate that we are looking at the placements occurring in the Department of Natural Resources and Environment, the Department of State and Regional Development, the Department of Education, Employment and Training, and the Department of Treasury and Finance. The coordination for that will be assisted by my parliamentary secretary, the honourable member for Footscray. Mr Gusmao was delighted with the commitment.

I also inform the house that the Minister for Local Government will meet Mr Gusmao and sign a statement of principles between representatives of East Timor and Victorian local government as a recognition of the importance of having strong and robust democratic institutions in our two countries. The document pledges ongoing support from Victorian local government — support that has already seen many councils provide direct assistance to the effort to rebuild this ravaged nation.

Victoria will play its part in helping East Timor create a great and democratic nation and to rebuild from the devastation that has occurred during the past couple of years.

Rural Victoria: local government

Mr SAVAGE (Mildura) — I refer the Minister for Local Government to recent council elections in those shires or cities that do not have wards or ridings and to the outcomes in some elections which appear to favour disproportionately either candidates living in a particular part of the electorate or candidates who exchanged preferences, thereby constituting de facto tickets.

I ask the minister what action he will take to consider a change in the voting system in those shires from the clearly inappropriate exhaustive preferential system to a proportional system.

Mr CAMERON (Minister for Local Government) — Honourable members will be aware that when there is an unsubdivided municipality or where a number of councillors represent one ward the voting system is exhaustive preferential. That means that if a few more than half the people voted and they all followed a ticket they would get all the council spots. To take the Shire of Mildura as an example, prior to the elections some councillors lived in the dryland areas of the shire. After the elections all the councillors were based in Mildura or Sunraysia, so there was no representation from the more distant parts of the municipality.

I can understand why the honourable member for Mildura raised the matter. Honourable members will appreciate that it is particularly important in country Victoria, where a number of centres make up a municipality. The government will continue over time to review the Local Government Act to ensure that it works better. I can assure the honourable member that proportional representation will form part of that review because it is often raised with me as I go about the state.

The SPEAKER — Order! Before calling the next question, I wish to inform the house, in relation to an incident earlier today when the honourable member for Bentleigh re-entered the chamber, that it should in no way be seen as a reflection on the Chair or the forms of the house that she re-entered the chamber.

An error was made in the transmission of the message from within the chamber to outside the chamber. The time for her return was 2.42 p.m. and not 2.32 p.m., as was conveyed to her.

Nursing homes: funding

Mr HARDMAN (Seymour) — Will the Minister for Aged Care inform the house what steps the government is taking to improve public sector nursing homes, particularly in regional Victoria?

Ms PIKE (Minister for Aged Care) — The government is helping public nursing homes and hostels to work towards better standards. It will provide additional funding of $882 000 to 197 homes across the state to assist them in the commonwealth accreditation process.

As honourable members will know, the commonwealth has set time frames for meeting new building standards, and the critical date is 1 January 2001. If homes do not meet that deadline the commonwealth may force them to close.

The neglect by members opposite of services to the elderly means this government has been left with the massive task of rebuilding a number of public sector nursing homes which may have been forced to close without that rebuilding. The government has committed $47.5 million to that task.

I am pleased to announce to the house some specific funding initiatives to assist the communities of Dimboola, Yea and Heywood. The matter of the Dimboola District Hospital should be of great interest to the house. The Dimboola District Hospital will receive $3.3 million to rebuild the hospital and nursing home. That facility is a clear example of how the previous government treated people in country Victoria.

In September 1997 the Dimboola nursing home was rated as the second worst in the state. What will be distressing to the community of Dimboola and what the member for Wimmera will have to explain to people in his community is what I am revealing to the house today — that is, the previous Minister for Health had the funds to fix that nursing home and was advised by the department to do so as soon as possible.

However, because Dimboola was in a safe National Party seat, because those opposite took the town for granted and because of election timing, the funds earmarked for the Dimboola nursing home, the second-worst nursing home facility in the state, were given to a facility in the then Minister for Health's own marginal electorate, a facility which on no objective view needed those resources as urgently as did Dimboola.

The previous Minister for Health's action went against all accepted departmental procedures and planning processes and it left the Dimboola nursing home at risk of closure. Members opposite who were in the Department of Human Services at the time would have known that. I have here for presentation to the house the recommendations of the Department of Human Services at the time and the amendment in the then health minister's own handwriting noting the amended priorities as he moved Dimboola down the list and placed that nursing home at risk of closure.

I am pleased to announce to the house today that that important local health facility is now no longer at risk of closure and that the people of Dimboola will be receiving $3.3 million to rebuild their nursing home and hospital.

I am also pleased to announce that the Yea and District Memorial Hospital — yes, more good news for people in Seymour — will receive $1.5 million towards the cost of the redevelopment of an aged and acute care facility. That funding will enable the completion of an important project which was begun by the previous government but could not completed by it for obvious reasons.

Dr Napthine interjected.

Ms PIKE — However, this government is completing that project. I note that the Leader of the Opposition asked about a facility in his area.

The SPEAKER — Order! The honourable minister should ignore interjections and I remind her of the obligation to be succinct.

Ms PIKE — The people of Heywood might be asking why the member for Portland takes them for granted and why the previous government left the Heywood and District Memorial Hospital — —

Dr Napthine — On a point of order, Mr Speaker, the people of Heywood understand that $3.3 million was allocated in last year's budget for their upgrade. I am interested in whether the people of Casterton, who have been promised a $3 million upgrade, have been given their money in this year's budget.

The SPEAKER — Order! There is no point of order. The minister, concluding her answer.

Ms PIKE — The redevelopment of the Heywood and District Memorial Hospital was in jeopardy because the previous government undersold that development by $1.3 million. I am pleased to announce today that the government will ensure the redevelopment goes ahead by funding it appropriately and adequately, providing additional funds.

The government is also working with communities and has allocated resources to Casterton, Nyah, Sale, Natimuk, Myrtleford, Yea, Heywood and many other communities across Victoria to upgrade their aged and health care facilities.

The government will provide the resources where the need is greatest. It will not be shifting priorities for grubby political ends. Resources will be provided where the need is greatest, so elderly people wherever they live, be it in metropolitan, rural or regional Victoria, can be assured of receiving the care they deserve.

Hospitals: infection protocols

Mr DOYLE (Malvern) — My question is to the Minister for Health. In view of incidents at the Frankston, Rosebud, St Vincent's, Box Hill, Kilmore and Royal Melbourne hospitals and a further incident reported in the media today of a breach of infection protocols at a specialist metropolitan hospital, why does Labor's budget reduce the number of public health professionals working in that area of public health concern?

Mr THWAITES (Minister for Health) — I commence by apologising to the house for being late. I was representing the government and, I think, all members of the Parliament at the opening of the Office of the Provisional Government of East Timor with Jose Xanana Gusmao. Unfortunately Mr Gusmao, the leader, was late, and I thought it would have been rude to leave. The honourable member for Malvern was there, but unfortunately the honourable member for Malvern — —

The SPEAKER — Order! The Minister for Health should answer the question posed by the honourable member for Malvern. He has apologised to the house sufficiently.

Mr THWAITES — I am happy to do that. Regarding the issues the honourable member raised, last night I met with the network chiefs of the hospitals. They indicated to me the range of measures they have undertaken to improve infection control in the past three or four months. They include increasing levels of awareness among staff, which means increasing the rate of reporting of incidents. The reporting of incidents will be a more regular occurrence, reporting being something the previous government has no reason to be proud of.

In addition the network chiefs indicated they would increase surprise audits to improve the level of auditing of infection control. Better tracking of equipment was indicated, which is important. Improved training was also referred to, as was increased monitoring and accountability in infection control.

I am pleased to advise that the network chiefs have agreed to share the information they have about their improved measures, which is something that was not done nearly enough in the past. During my discussions with them last night, they indicated that they face a number of infection control problems.

The network chiefs also indicated that those problems are not recent but have been there for many years. It is ludicrous to pretend that the previous government has anything to be proud of. It is interesting to refer to the press and read the stories revealed this year. There were three — —

Mr Doyle — On a point of order, Mr Speaker, obviously the Minister for Health was expecting a somewhat different question. Although I may be delighted to ask that question at a different time, I direct you to the fact that my question is concerned with why Labor's budget reduces the number of professionals working in this public health area. It is not to do with the record of the previous government or anything the minister has been talking about so far. Mr Speaker, I ask you to ask the minister, now that he is prepared to answer a question, to at least answer the question he was asked and not one he was hoping for.

Mr Bracks — On the point of order, Mr Speaker, the honourable member for Malvern failed to mention in his point of order that in the introduction to his question he mentioned a number of incidents. So he was canvassing widely the number of incidents of infection as part of his question. Clearly, the minister was answering the referral mentioned in the introduction to the question.

The SPEAKER — Order! I do not uphold the point of order. However, I ask the minister to confine his answer to matters contained in the question.

Mr THWAITES — The point I was making was that under the previous government there were serious problems of infection control which we have inherited and with which we are dealing. I was referring to the fact that in the first nine months of last year three patients died of sternum infections at one hospital. Also 22 babies contracted infection in the neonatal intensive care unit (NICU) in one hospital. It is interesting that this only became public in February. Opposition members, who had no interest in revealing the issues at the time, now come here — —

Mr Doyle — On a point of order, Mr Speaker, this is a serious issue and I find this shroud waving offensive. I ask you to direct the minister to answer the question that he was asked.

The SPEAKER — Order! I do not uphold the point of order. However, I ask the minister to cease debating the question and come back to answering it.

Mr THWAITES — The opposition is talking about how much commitment the government has to resourcing the issue. That is what it was about. We have absolute commitment, and I will come to that in a minute. The reason we need commitment is that we have inherited from the former government a hospital system that was left to run down. Not only was it run down, but it did little to improve the problems in infection control that were caused.

It is also interesting to note that there was a report into infection control under the previous government. I quote from that report — —

Mr Doyle — On a point of order, Mr Speaker, I am sorry to raise this for the third time, but the minister is debating the question still, despite your direction to him, as evidenced when he said he will get to that in a minute. He then continued down the path he has gone down for the entirety of the question. He is debating the question and I ask you to direct him to answer it.

The SPEAKER — Order! I do not uphold the point of order. The minister was providing information to the house on a report that was commissioned in this area. That is the factual provision of information to the house. Therefore, there is no point of order.

Mr THWAITES — The reason we have to act and boost funding is because of the lack of action by the previous government. I will quote from the report. On infection control policies it states:

> Adherence by staff to policies and procedures was frequently not monitored —

nobody knew what was happening —

> and many organisations lacked formal staff training programs to ensure adequate staff orientation to infection control procedures and policies …
>
> There were also instances where manufacturers' guidelines regarding the operation and maintenance of sterilisation equipment were not followed.

The former government had before it a report that indicated that infection control was not being properly monitored and that there was a failure to maintain the guidelines on the equipment, yet it did next to nothing.

One can compare that response to the response of the Bracks government. Our government, contrary to the implications raised by opposition members, has just committed $30 million in recurrent expenditure. The opposition's election platform released by the Treasurer committed just $3 million. In addition to the recurrent funding of $30 million that the Bracks government is putting into cleaning and infection control, it is putting in $3 million this year and next year for more infection control equipment.

We are a government that puts resources where they are needed. We are a government which has had to improve a system that was run down and destroyed by not just the previous government but by the parliamentary secretary who was responsible for this area.

Drugs: Direct Line

Ms LINDELL (Carrum) — Will the Minister for Health inform the house of what the government is doing to meet the needs of drug users and their families and friends regarding information services on drug treatment?

Mr McArthur interjected.

Mr THWAITES (Minister for Health) — That is an interesting comment. I presume that the honourable member for Monbulk believes that the government should not be spending any more money on drugs. That is what the honourable member seems to be indicating.

Mr Honeywood — On a point of order, Mr Speaker, I sit next to the honourable member for Monbulk and I clearly heard what he said. The honourable member said that the Minister for Health is looking after the drug users but that he is not responsible for schoolchildren.

The SPEAKER — Order! There is no point of order raised by the honourable member for Warrandyte.

Dr Napthine — On a point of order, Mr Speaker. While you were on your feet the Premier referred to the honourable member on this side of the house and said, 'You're a liar'. I ask the Premier to withdraw that unparliamentary expression.

The SPEAKER — Order! The Chair is in a difficult position because it did not hear the comment.

Mr Bracks — I can help you, Mr Speaker, by withdrawing the comment. Further — —

The SPEAKER — Order! A point of order was raised by the Leader of the Opposition, at which point I was about to ask the Premier to indicate to the house whether he was prepared to withdraw the comment. The Premier has withdrawn the comment so the matter is resolved. I will not allow the Premier to speak to the point of order.

Mr Bracks — On a separate point of order, Mr Speaker, I refer to debate in the house two days ago and a matter raised by the shadow minister for tertiary education and training at the conclusion of the debate which provoked my outburst. I apologise for saying someone is a liar. I refer to an incident involving the honourable member for Monbulk in which the vote was taken — —

Honourable members interjecting.

The SPEAKER — Order! The Premier is entitled to be heard on the point of order, as is any other member of the house. At this stage the Premier has not provided enough information to the Chair for it to make a ruling.

Mr Bracks — When that vote occurred there was a crossing of the floor. The government went to the opposition benches and the opposition went to the government benches. While that was occurring the honourable member for Monbulk invaded the personal space of the tertiary education minister and would not be removed.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order. I have now heard sufficient on the point of order to find that there is no point of order in the proceedings involving the house currently. I ask the Premier to see me in chambers if he wants to raise a matter of that nature.

Mr Bracks — Mr Speaker, in response —

The SPEAKER — Order! Is this on a further point of order?

Mr Bracks — On another matter, Mr Speaker, I —

The SPEAKER — Order! The honourable the Premier is raising a further point of order. The house will remain — —

Mr Perton interjected.

The SPEAKER — Order! The honourable member for Doncaster shall cease interjecting.

Mr Bracks — Mr Speaker, I want to indicate to you as Speaker that I will see you about this important matter in chambers.

The SPEAKER — Order! There is no point of order. I call on the Minister for Health to answer the question posed by the honourable member for Carrum.

Mr THWAITES (Minister for Health) — Unlike the honourable member for Monbulk the Bracks government is committed to a comprehensive drugs strategy. Information on services available for drug users and their families is a powerful tool in preventing drug abuse. The Direct Line information service being run through Turning Point Alcohol and Drug Centre is funded by the Department of Human Services. The service provides a vital service to guide drug users and their friends in relation to treatment and rehabilitation. In 1998–99 the direct line responded to over 46 000 calls from clients. However, the demand for the service is increasing, with the lost call rate increasing from 25 per cent in 1997–98 to about 40 per cent — that is, 30 000 calls — last year.

I am pleased to announce today that the Bracks government will provide additional funding of over $1 million from 1 July this year to ensure that at least 90 per cent of callers receive a response on their first attempt to call. The additional funding includes $151 000 for one-off capital equipment purchases and $433 254 per annum over the next two years for additional counselling staff. The total funding for Direct Line will be nearly $1.04 million per annum, which will enable the service to assist about 70 000 calls per year.

Information services for drug users and their families and friends is seen as a powerful tool to prevent drug abuse. It is part of the Bracks government's comprehensive strategy to reduce the terrible harm that drugs are causing in society today.

Benalla: Labor candidate

Mr RYAN (Leader of the National Party) — My question is to the Premier. In keeping with the integrity of the electoral process and the his policy of open, honest and accountable government, and to enable the electors of Benalla to be fully informed as to the history of respective candidates, will the Premier now make available the complete and accurate curriculum vitae of the Labor candidate, as the National Party has done with its candidate, Bill Sykes?

Honourable members interjecting.

The SPEAKER — Order! The Chair is having some difficulty with the question asked by the Leader of the National Party on the aspect of its referring to government administration. I ask him to make clear to the Chair how the question refers to government administration.

Mr RYAN — The relationship is clear, Mr Speaker. Victorian legislation governs the electoral process. The government of the day has the responsibility for its overall governance. Therefore, it has responsibility to ensure compliance with the regulations.

The SPEAKER — Order! In calling the Premier I ask that he confine his answer to matters relating to government administration.

Mr BRACKS (Premier) — I will do my very best, Mr Speaker. The curriculum vitae of Denise Allen, the Labor Party candidate in the Benalla by-election, is available and open for anyone to see. The Leader of the National Party is using the same tactics as those used by the Liberal Party in the Burwood by-election. History will show that when political leaders get into the gutter and personalise they will pay the penalty. The Leader of the National Party will pay the penalty in two weeks!

City Link: contract

Mr SEITZ (Keilor) — Will the Minister for Transport inform the house of any advice he has received about the government's liability for compensation claims from Transurban as a result of City Link contracts signed by the former Kennett government during its time in power?

Mr BATCHELOR (Minister for Transport) — The City Link contract was negotiated by the former Kennett government in 1995. It was signed and is valid for 34 years. Under the contract the former government agreed that Transurban could claim compensation from the Victorian government if new roads were built that offered motorists alternative routes to the City Link

project, thus adversely affecting tollway revenues. Clearly, the clauses are anti-competitive and not in the best interests of motorists. In effect, taxpayers can be compelled to underwrite and protect Transurban's profits. The circumstances are amazing.

Mr Leigh — On a point of order, Mr Speaker, the contract states that both tolling tunnels must be open, yet only one is open. The Minister for Transport has changed the contract and is allowing City Link to make millions of dollars. I do not understand what he is saying because he has changed the contract.

The SPEAKER — Order! The Chair is growing impatient with honourable members taking points of order that clearly are not points of order. The honourable member for Mordialloc is guilty of that offence. There is no point of order.

Mr BATCHELOR — Thank you, Mr Speaker. The opposition's selection of the honourable member for Mordialloc as the shadow minister for transport clearly is a tragedy. It has committed a huge bungle that will bring it undone.

I have received advice from my department that Victoria is at risk of a material adverse-effect claim because of the construction of the north-south road and the stadium access road at Docklands.

I have also been advised that on 1 March 1999, prior to the construction of the roads, the Kennett government ministers were briefed on the potential for such a claim being made against the state of Victoria.

On that day members of the City Link and Docklands subcommittee of the Kennett cabinet met and decided on a novel solution to the problem they had created — that is, they would require that barriers be placed on old Footscray Road and the stadium access road to stop cars using those roads to access the new north-south road. The barriers would be in place except when sporting and entertainment events were being held at Colonial Stadium. In other words, the Kennett government ministers decided that those roads would be closed for much of the time — not for much of the time of their term of government, but much of the time for the next 34 years! That was a truly unique approach to policy making. The ministers decided to build roads so they could close them, and to close the roads even before they were built.

I have been advised that if the new government fails to restrict access in that way, it risks Victoria being exposed to a Transurban compensation claim for many millions of dollars. I have further been advised that the measures taken may reduce the exposure of that risk, but, amazingly, they do not eliminate it.

Despite all that, the Bracks government will do everything it can to protect the position of taxpayers and motorists now and during its term in office, unlike the Kennett government, which sold out the interests of motorists, the state and future generations when it signed up to the City Link contract.

The SPEAKER — Order! The time set down for questions without notice has expired and a minimum number of questions has been asked and answers provided.

NATIONAL TAXATION REFORM (FURTHER CONSEQUENTIAL PROVISIONS) BILL

Second reading

Debate resumed.

Mr NARDELLA (Melton) — Before the suspension of the sitting I was referring to the contribution to the debate by the honourable member for Swan Hill. The issue of bankruptcies that the goods and services tax (GST) will foist on country and rural businesses is extremely serious.

The other day I read an article in one of the newspapers about a family-run general store that had been in operation for nearly 100 years. Family members provided a service to the store's customers; they wrote out invoices by hand and allowed their customers to run a slate. However, they are now out of business. They are part of a small rural community, but they cannot afford to maintain the general store and have decided to close up shop. Within the first couple of months of the introduction of the GST about 20 000 businesses, many in country and rural areas, will similarly close.

A partnership exists between the Liberal and National parties. The electorate of Benalla is the love child over which the parties are having a custody battle. Yet both opposition parties come into the house and support the GST. It is all about possession for the two partners; it has nothing to do with what is best for the child. The Liberal and National parties are wrong about their support of the GST, which will affect their constituencies, especially in country and rural areas.

Taxation reform will be expensive for the community. Budget estimates indicate that next year the GST will increase the rate of inflation from the current 2.5 per cent to more than 5.5 per cent. In addition to the federal

Treasurer Costello interest rate rises that we have to have, inflation boosted by the GST will devastate many more Victorian businesses.

The final matter on which I comment concerns prepaid funerals. Unfortunately, the GST will impose a burden on older people who are planning prepaid funerals. They have been concerned about how the GST will affect their plans, hence the legislation has been introduced.

My father, who was born in 1908, still remembers the shelling of the First World War. I went through with him the process of arranging his prepaid funeral. We looked at the range of coffins, checked out the site and made all the arrangements, including payment for the priest, and so on. It cost $7300. The GST will add another $730 to the cost. That is an example of how the GST will impose extra stress, particularly on older people and their families. The truism is that in life there will be death and taxes; but under the Liberals and the Nationals there will also be the GST!

Mr CLARK (Box Hill) — I am pleased to contribute to the debate on the National Taxation Reform (Further Consequential Provisions) Bill and to follow the honourable member for Melton in the debate. The honourable member for Melton has confirmed that the hallmark of the government is the humbug with which it has approached a wide range of issues since coming to office.

In the concluding stages of his contribution he railed against the alleged inequities of the goods and services tax (GST). But what concrete action has the government taken to bring about the removal of the tax? On the one hand, government members cry foul, claim the tax is terrible, and say they just have to cop it because they have no choice. On the other hand, they will rake in all the benefits, put the revenue in the kitty, go through the motions of opposing the tax, open it with welcome arms and do absolutely nothing to persuade their federal colleagues to get rid of it. That sort of inconsistency — to say one thing but do another — is the hallmark of this government.

I cite a recent case. In the closing stages of question time the Minister for Transport said he would have loved to have kept certain roads in the Docklands area open, but the wicked Kennett government forced him to close them. He claimed that if he did not close them litigation would be taken against him. He is taking the position — 'Sorry, don't blame me, I have no choice'. The Minister for Major Projects — —

Ms Delahunty interjected.

The ACTING SPEAKER (Mr Kilgour) — Order! The Minister for Education should understand that the Chair will not allow disorderly interjections across the table.

Mr CLARK — The Minister for Major Projects let the cat out of the bag. Simultaneously with the Minister for Transport's claims, he issued a news release that welcomed the opening of the new stadium circuit around the Docklands, made it perfectly clear that the reason for the circuit was to re-route traffic around the Docklands and pointed out that it was a good thing for the precinct. That is one example of the government's inconsistency. We are now seeing media reports about private prisons. A large number of people are crying foul and alleging inconsistency on the part of the government on that issue.

We have also seen inconsistency in planning. When in opposition the Labor Party said if it were in government it would take all sorts of swift actions to deal with residential planning issues, yet the Minister for Planning has failed to introduce any across-the-board interim planning controls to address the issue of setbacks, overshadowing and visual bulk, despite both sides of politics recognising that changes are needed in that area. The Minister for Planning has also ignored the wishes of Bayside council on heritage controls despite his promise to give more local input on planning to local municipalities.

We have also seen inconsistency in the government's approach to open and accountable government. The claim about providing open and accountable government is in contrast to the sessional orders the government put forward. We are seeing inconsistency yet again with this bill. In the second-reading speech the minister states:

> While the Bracks government does not support the GST, it is obliged to honour the previous government's commitments under the Intergovernmental Agreement on the Reform of Commonwealth–State Relations.

That is another attempt to say do not blame the government because there is nothing it can do. However, federal counterparts of the government are lurching all over the place, so one would think there was an opportunity for government members to play some decisive role if they wanted to, but they are failing to do so.

The federal Leader of the Opposition is talking about a GST roll-back. In a press article dated 1 December 1999 he indicated that the opposition would not decide when or how far the tax would be rolled back until mid-2001 and that there would be a dollar sign attached

to the roll-back — so one would not want one's other policies to be in place before one committed to the dimension of the first phase.

Clearly, the federal Leader of the Opposition does not know exactly what he wants to do about the goods and services tax. At one stage federal Labor indicated that it might repeal the GST in future, but then it backed away from the idea. That uncertainty about what the federal Labor Party is doing should make it strikingly obvious to honourable members opposite that they have a real opportunity to influence the course of federal Labor Party policy.

I cannot recall hearing the honourable member for Melton call on his federal counterparts to stiffen their resolve and declare that if elected to government they will repeal the goods and services tax. Maybe he said it before the luncheon break; we certainly did not hear it in his concluding remarks. To do so would have been a logical follow-on to the rhetoric delivered to the house by the honourable member.

Mr Nardella interjected.

Mr CLARK — The honourable member says he did refer to it. If he did so he must have put it very subtly.

It will be interesting to hear what speakers following me will have to say on the matter. If they are sincere their no. 1 priority will be to call on their federal counterparts to make a public and unequivocal commitment before the next federal election to completely repeal the GST. That would be the logical and consistent thing to do.

Mr Nardella interjected.

Mr CLARK — The honourable member for Melton interjects and says it is too late. That reinforces the fact that many crocodile tears are flowing in this chamber today. There is no demonstration of sincerity on the part of members of the government.

Mr Nardella — I was sincere.

Mr CLARK — They can complain as much as they like; the bottom line is that they want the revenue and will simply go through the motions of complaining about a tax they are actually quite happy to have — as they should be.

The honourable member for Melton is welcome to correct me, but I do not recall hearing in his remarks any reference to the significant reductions in personal and other income taxes that will take place as a result of the new tax package. It is all very well for critics to focus on one component of the package, but when they do they completely overlook the major benefits that will flow from the abolition of wholesale sales tax (WST). Victoria has traditionally been the manufacturing state of Australia. More than any other state its fate is linked to the prosperity of manufacturing.

The previous government as a whole, and in particular the Honourable Mark Birrell as the responsible minister, placed emphasis on finding new opportunities for the manufacturing industry in Victoria. It found them in elaborately transformed manufactures of various descriptions. It found them in the motor trade, various fields of electronics, and in aviation where Victoria is responsible for the manufacture of significant parts of the Boeing aircraft. The previous government focused on giving a new lease of life to the Victorian manufacturing industry and positioning it for the future.

One of the best things that could happen to manufacturing in Victoria is the abolition of the wholesale sales tax that has a narrow base concentrated predominantly on manufactured products. It is a highly distortionary tax and hits manufacturing industry in Victoria.

The Leader of the Opposition made the same point this morning, and although it was presumably coincidence, at that very stage the Minister for Manufacturing Industry saw fit to stand up and leave the chamber. Coincidence or not that is a graphic visual demonstration of the lack of regard for the true interests of manufacturing industry being shown by the minister and by this government. Through the sort of criticism it has been making during the course of this debate it seeks to undermine the new tax package. If it had the interests of manufacturing industry in Victoria at heart it would be welcoming the package instead of shedding crocodile tears about it.

Turning to the detail of the legislation, other aspects of the humbug of the government can be seen. While its federal counterparts have been vigorous in raising issues about the accountability of businesses for price increases as a result of the GST, when looking at some of the provisions in the bill it can be seen that as far as the Labor Party as a whole is concerned, it is one standard for itself and a different standard for everybody else. Some of the provisions for the passing on of charges show little evidence of the scope for accountability and justification of the increases that will take place.

I refer in particular to some of the increases highlighted in part 7 of the bill, which relates to cemetery fees, fees under the Legal Practice Act and trustee companies commissions and fees.

The explanatory memorandum states that clause 18:

> … allows the trustees of a cemetery trust to increase a fee named in published fees by an amount not exceeding the amount of the GST, without the requirement to submit the increase to the Governor in Council.

The memorandum further explains that a notice will be published in the *Government Gazette* and a local newspaper and that there can only be one fee increase which has to be made and published with Governor in Council approval prior to 1 July 2000.

That mechanism is put in place by the legislation. But what is the review mechanism? How will the government ensure that due process is followed by the trustees of a cemetery trust and that the fee increase is justified?

If the trustees assert that the relevant fee increase is 10 per cent being 'the amount of GST payable on the supply to which the fee relates', which is the expression proposed to be inserted in section 17(3) of the Cemeteries Act, what is the monitoring mechanism to prevent the trustees from asserting that when they are not justified in doing so? Nothing in the bill or the second-reading speech achieves that. There is only to be a statement that the changes are being made.

The explanatory memorandum states that clause 19:

> … amends the Legal Practice Act 1996 to increase by 10 per cent the maximum levy payable by legal practitioners in relation to the Fidelity Fund and the maximum fee which can be prescribed under section 445(2)(a) for lodging a dispute with the registrar of the Legal Profession Tribunal.

The latitude to vary it is built in, but clause 19 refers to 10 per cent across-the-board increases. It may be said that they are maximums and that there is no obligation to impose them. However, arguments are being put in the public arena to monitor organisations over price increases. Where is the accountability of the government? How can it reassure the house and the public that scrutiny and protection is in place to ensure there will not be a blanket increase to the maximum, or other increases in fees over and above what is justified with regard to the full GST impact?

The explanatory memorandum states that clause 20:

> provides for an increase of 10 per cent in the ceilings which apply to certain fees and commissions in the Trustee Companies Act 1984.

The changes seem to apply 10 per cent across-the-board increases. Proposed new paragraph (a) to be inserted in section 21(4) of the Trustee Companies Act states:

> (a) in relation to estates committed to the trustee company —
>
> (i) before 1 July 2000 — the amount of the published scale of charges of the company current at the time when the estate was committed to it plus 10%;
>
> (ii) on or after 1 July 2000 — the amount of the published scale of charges of the company current at the time when the estate was committed to it;

It provides for a 10 per cent increase. In section 22 of the Trustee Companies Act, the new subsection (3) to be inserted provides that:

> If, before 1 July 2000, the Supreme Court fixed an additional commission under sub-section (1) for a trustee company, the trustee company on and after that day is entitled to receive an additional amount of 10% of the amount of that commission.

I will be interested to hear subsequent speakers on the latter provisions of the bill. On my reading, those proposed sections are providing not simply for a maximum increase of 10 per cent but for a full increase of 10 per cent. Is there a justification for an automatic increase of 10 per cent in those areas?

For all those reasons, although the bulk of the provisions in the bill are mechanical in that they are implementing the state's end of the move to the new tax reform system that will deliver significant benefits to Australians and Victorians, the bill again demonstrates the humbug that passes for good government in Victoria these days in respect of the position that government members have taken on the goods and services tax (GST) and the rigour they have applied to themselves and the organs of government for which they are responsible compared to the sort of scrutiny and justification of price increases their federal counterparts are expecting of the private sector.

Ms LINDELL (Carrum) — It gives me great pleasure to add to the debate on the National Taxation Reform (Further Consequential Provisions) Bill, although the introduction of the goods and services tax (GST) gives me no pleasure.

The necessity for the bill arises from the introduction of what I believe is a most unfair tax. The GST will weight the tax burden even more unfairly against low-income earners employed under the pay-as-you-earn system, small-business owners, pensioners and self-funded retires, while at the same time it will give unfair income tax cuts to the top 20 per cent of taxpayers. In doing so it will distribute slightly

more than $1 billion a year to low-income groups, but the Australian Council of Social Service, church groups and charitable organisations have argued constantly that $6 billion will need to be raised to improve the equity of the tax package.

Honourable members should not forget that one of the major arguments that is put forward strenuously by advocates of the GST is that an extra means of taxation is required if obligations to welfare services are to continue. However, the result is a tax that will reduce the taxation of high-income earners and leave little extra in the kitty for future welfare funding.

Honourable members have referred to the growth tax effect of the GST. Opposition members have overlooked who it is in the community who will contribute to the growth tax. Most people know that people on low incomes spend the vast majority of their incomes on essential goods and services — food, clothing, gas and electricity. Their income is not spent on the optional extras of theatre tickets and dining out. The most needy in the community will need to find an extra 10 per cent for their power and insurance bills and when paying for their second-hand cars and books.

Opposition members have put the convoluted argument that the wholesale sales tax is a GST in disguise. I refer honourable members to the case of a gentleman who visited my electorate office recently looking for information about when he should purchase an electrically operated recliner chair. Honourable members will be familiar with the made-to-measure recliners designed for older members of the community.

They cost approximately $1000 and are of benefit to people who suffer from arthritis in their backs, hips or knees. They help such people by adjusting to a comfortable sitting or lying position. I made some phone calls and was advised that a 12 per cent wholesale sales tax applied to electrical recliners. I advised my constituent and we had a good-humoured discussion about it because he was having a dispute in the family about the benefits of the GST.

One of his sons suggested that the recliner would be cheaper after the GST was introduced because the rate was only 10 per cent compared with the 12 per cent sales tax. However, once the sums were done it was found the recliner would cost more following the introduction of the GST. The father was happy about that and bought his recliner. In the best spirit of intergenerational competition he had won the argument with his son.

I must mention the fiasco with the sale of Olympic torches. The daughter of a constituent of mine has been given the honour of carrying the Olympic torch and he has already paid $350 to enable her to keep the momento. I assure honourable members they are wrong if they believe people are in favour of the GST. I have not read of there being much support for it, particularly in relation to the purchase of the Olympic torch because the father I spoke of received a bill for about $35 for the GST component. The people selling the Olympic torches had not worked out that they would be subject to the GST.

Members of the Liberal and National parties have an ideological problem in their support of a tax they are proud to trumpet as being a growth tax. The opposition argues that the Bracks government should embrace the GST because it will provide more funds for the state. Opposition members believe the money is being left at the bottom of the garden by the fairies! My fundamental opposition to the GST, the growth tax as the opposition refers to it, will come from the pockets of the people I represent in Carrum — small business people, low-income workers, pensioners, and people like my parents and sister, who have funded their retirements through years of hard work and careful financial management.

My father is 88 years old and is still paying income tax, yet he will now have to pay 10 per cent GST on his insurance premiums, power bills, clothing and most grocery items. He has spent a lifetime contributing to the community and must now pay 10 per cent more in tax for everything he buys. The opposition believes everybody should be overjoyed with the GST because it is a growth tax. They have lost sight of the fact that money raised through taxes is money that has to be paid by the community. After all, it is the community that pays taxes in the first place. In a democracy the role of government is to set fair and reasonable imposts on the community to raise funds for the provision of appropriate infrastructure and community services.

The government is concerned that the GST is an unfair tax and that it disadvantages small business owners, low-income earners, pensioners and people on fixed incomes while providing advantages to the big end of town.

The bill is essential legislation for the implementation of the GST and therefore I support it, but I rue the fact that the tax is necessary, that support for it is necessary and that it is being introduced. The necessity to pass the legislation springs from an agreement signed by the Kennett government that is not supported by the Bracks government. I wonder what the opposition would think

if the legislation had not been introduced. It is all very well for the honourable member for Box Hill to ask about future arrangements. The problem faced by the Bracks government was that the imposition of the unfair GST commences on 1 July, thereby forcing the government to pass the legislation speedily.

Mr PLOWMAN (Benambra) — I could have predicted that during her contribution to debate on the National Taxation Reform (Further Consequential Provisions) Bill the honourable member for Carrum would compare prices prior to and after the introduction of the goods and services tax (GST). However, at no stage did she consider the result of the total tax package. I wonder why government members continue with their biased rhetoric. It does the honourable member for Carrum no justice to look only at prices with or without wholesale sales tax and with or without GST. One needs to consider how the total tax package will affect the income-earners in the Carrum electorate.

Ms Lindell interjected.

Mr PLOWMAN — I take up the honourable member's interjection that it is a growth tax. In her contribution to the debate the honourable member said that what she terms the growth tax will impact on the lower-income families in her electorate. She cannot have it both ways: either the state government will benefit because the GST is a growth tax — and if the government does benefit, that obviates the government's argument about the introduction of the bill; or it is not a growth tax — and if it is not, one wonders how the GST could impact as a growth tax on the constituents of the honourable member for Carrum. I suggest she is incorrect: it is a growth tax, it will benefit Victoria, and that continued benefit to the state overcomes the arguments that have been put forward by the Labor government about the need for the bill.

The bill is the second of two bills and indicates the state's obligation under the intergovernmental agreement on the reform of commonwealth–state relations that was signed off in mid-1999. The bill also deals with the indirect impacts of the introduction of the GST. The Labor government contends that the GST will not lead to any windfall gains for the state, despite the verbal interaction I had with the honourable member for Carrum when she agreed that the GST will actually be a growth tax. The introduction of the GST — a growth tax — will lead to windfall gains for Victoria.

It is also clear that in the medium to long term the goods and services tax is a growth tax and that the state government is taking a short-term view and is politically motivated in its opposition to the GST. It is also clear that the GST will provide a stream of increasing revenue to Victoria over the longer term.

As we have all learnt the goods and services tax is set at the rate of 10 per cent and will be effective from 1 July. Revenue from the tax will flow exclusively to the states and territories. At the same time the wholesale sales tax will be abolished and commonwealth financial assistance grants and revenue replacement payments to the state will end. What a great day it will be day when state premiers no longer have to go cap in hand to the Premiers Conference to ask the Prime Minister for a fair go for their states.

I hope Victoria will be the winner under the GST because it is a growth tax. Instead of having a tax that automatically — for whatever reason — supports other states, with access to a growth tax Victoria will for the first time benefit on an equitable basis as the state grows.

Mr Mildenhall — You don't believe in subsidising Queensland?

Mr PLOWMAN — I take up the interjection of the honourable member for Footscray. I believe Victoria has subsidised the states of Queensland and Western Australia, and one would have to question why the rate of that subsidy has gone up in recent years. The bill will change that to a large extent, particularly as the GST grows and becomes a larger part of total state revenue.

The measures proposed in the bill are designed to be budget neutral. Victoria is obliged to find embedded tax savings of $100 million per annum to flow back to the commonwealth. The current Labor government is stating that as a consequence many taxes and charges may have to be increased to a full 10 per cent. Not only is that debatable, it also puts in question the state government's motive in imposing those increases. On the one hand it says there will be tax increases while on the other hand it says that as a growth tax the GST will not compensate for the $100 million embedded tax savings that the government will be required to meet annually from the time of the introduction of the new tax. The GST is to be applied to government fees and charges that are not declared to be free of GST by the commonwealth.

The bill is the second of two bills that relate to the GST. It deals with amendments to the relevant gambling legislation and the reduction of tax rates relating to Crown Casino and interactive gaming. If I had more time I would go into detail about that aspect, but time limits the detail I can give.

The bill also deals with the increases in statutory fees and charges that are not exempt from GST. I understand the need for that provision because the end result of the introduction of the GST should be one of neutrality. I understand the bill also deals with additional penalty Workcover premiums that will not be subject to GST. That is an important point for the future of Workcover and its cost to employers. I understand the GST portion of prepaid funeral moneys is not subject to the investment requirement and can be remitted to the Australian Tax Office by funeral directors.

The bill includes further changes to the Racing Act as a consequence of the abolition of stamp duty on bookmakers' statements. The initial changes were introduced in the first bill that related to taxation changes consequent on the introduction of the GST as they affect the Victorian government.

Finally, Mr Speaker, I am delighted to have had the opportunity to speak, albeit briefly, on the bill.

Debate interrupted pursuant to sessional orders.

The ACTING SPEAKER (Mr Richardson) — Order! The completion time ordered by the house has arrived. I am required by sessional order 6 to put the relevant questions.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

DISABILITY SERVICES (AMENDMENT) BILL

Second reading

Debate resumed from 2 May; motion of Ms CAMPBELL (Minister for Community Services).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

VOCATIONAL EDUCATION AND TRAINING (COUNCIL MEMBERSHIP) BILL

Second reading

Debate resumed from 2 May; motion of Ms KOSKY (Minister for Post Compulsory Education, Training and Employment).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

TRANSPORT (AMENDMENT) BILL

Second reading

Mr BATCHELOR (Minister for Transport) — I move:

That this bill be now read a second time.

The primary purpose of this bill is to repeal or amend various sections of the Transport Act to remove references to the transport functions of the Public Transport Corporation. The bill also makes a number of consequential amendments to other acts.

As a result of the franchising of public transport to private operators, the Public Transport Corporation no longer provides any public transport services or owns land on which tram and train services are provided to the public.

The corporation therefore no longer needs the wide range of powers and functions it exercised when it was the main provider of public transport passenger services in Victoria, nor does it require the enforcement powers which it previously exercised to enforce ticket requirements and other transport offences.

Most amendments contained in the bill remove references to the Public Transport Corporation. However, some amendments insert a reference to the new tram and train operators where that is appropriate. In some instances where the relevant functions have been transferred to another body, such as Victorian Rail Track, which now owns most public transport land, the name of that body has been inserted in the act.

The Public Transport Corporation is the successor at law to the statutory corporations whose assets were franchised to the private operators. The Public

Transport Corporation will continue to be responsible for winding up the residual assets and liabilities of those bodies. In addition, the Public Transport Corporation continues to own some land, which was not required at franchising, and also continues as a party to a number of contracts which have not yet been transferred to other bodies — the most important of these is the contract with Onelink for the automated ticketing system. For these reasons the corporation continues to require certain powers and to exercise relevant functions. The powers and functions it still requires have been inserted by this amendment or have been retained in the Transport Act.

I commend the bill to the house.

Debate adjourned on motion of Mr DOYLE (Malvern).

Debate adjourned until Thursday, 18 May.

PSYCHOLOGISTS REGISTRATION BILL

Second reading

Mr THWAITES (Minister for Health) — I move:

That this bill be now read a second time.

The current Psychologists Registration Act was passed in 1987. It establishes the Psychologists Registration Board, provides for registration and discipline of psychologists and probationary psychologists, and for approval of registered psychologists as specialist psychologists.

Review of the act was undertaken during 1997–98, in accordance with national competition policy requirements and as part of a rolling departmental review of health practitioner regulation. During review of the act, consultation occurred with a large number of organisations and professional groups.

The review recommended that restrictions on statutory registration were necessary to achieve the objectives of the legislation and should be retained. Restrictions on specialist approvals, inoperative provisions relating to psychological tests and consent to use of certain names by bodies corporate and similar entities were not considered necessary to achieve the objectives of the legislation.

In view of the substantial inconsistencies between the act and more modern health practitioner registration acts, the review recommended it be repealed and a new act introduced based on the model contained in the Medical Practice Act 1994 and incorporating the above recommendations.

Accordingly, the principal purpose of this bill is to protect the public by providing for the registration of psychologists and to enable investigations into the professional conduct and fitness to practise of registered psychologists.

The bill regulates advertising relating to provision of psychological services, establishes the Psychologists Registration Board of Victoria and the Psychologists Registration Board Fund and repeals the current Psychologists Registration Act 1987.

The bill reflects the model of health practitioner regulation contained in the Medical Practice Act 1994, together with recent improvements and amendments to that model made pursuant to the Health Practitioner Acts (Amendment) bill 2000.

The bill provides for a nine-member board, whose principal functions will be the registration of psychologists and investigation into the professional conduct and fitness to practise of those persons. The current board is replaced with a new incorporated board of the same name, which may appoint its own staff and administer its own funds.

The bill provides for probationary, specific and general registration, and contains criteria which facilitate mutual recognition. Probationary registration enables persons who have completed approved courses of study to undertake a period of supervised study or training prior to general registration. During the period of probationary registration, these persons must not claim to have, or hold themselves out as having, general registration.

The probationary registration provisions are intended to ensure the new board maintains scrutiny of training and supervision arrangements undertaken by probationary registrants. The bill provides that general registration will usually follow completion of a period of probationary registration.

Specific registration provisions are similar to those contained in other health practitioner registration legislation, and permit limited registration of persons who hold qualifications in psychology which do not qualify them for general registration. While specifically registered, these persons must not claim to have, or hold themselves out as having, general registration. It is an offence against the act for persons who are not generally or specifically registered to use the title ‘registered psychologist’ or ‘psychologist’.

The bill enables the board to impose any conditions, limitations or restrictions it thinks appropriate on the

above grants of registration. It also requires registrants to return current certificates of registration for endorsement with any conditions, limitations or restrictions imposed. The new board will also have powers to require evidence of adequate arrangements for professional indemnity insurance as a condition of general and specific registration and the board can issue guidelines about minimum terms and conditions of insurance.

The bill also provides a mechanism for the board to note qualifications on the register in addition to those required for registration. In view of the complex nature of psychology services, it is the intention that this provision operate to assist consumers who may seek information from the board in relation to registrants with qualifications in specialised areas of psychological practice.

The bill contains a legislative definition of unprofessional conduct, which is consistent with other health practitioner legislation. In addition, core provisions relating to informal and formal hearings and appeals to the Victorian Civil and Administrative Tribunal are consistent with those in other health practitioner legislation.

Advertising restrictions are included in the bill to further ensure protection of the public, and the bill enables the board to prepare guidelines for registrants on minimum acceptable standards for advertising of psychological services. These guidelines are to be published in the *Government Gazette* by order of the Governor in Council. In addition, there are powers for courts to order corrective advertising and impose penalties for continuing offences.

The new board will have powers to require that registered persons and applicants for registration provide information to the board on any criminal convictions and court-ordered settlements in negligence cases and to advise the board if they are committed to stand trial for any indictable offence. These provisions are intended to strengthen the board's ability to address issues which may affect registrants' ability to safely and competently provide psychological services.

In addition, the board will have powers to receive and investigate complaints, conduct hearings and make findings and determinations in relation to practitioners who have let their registration lapse.

A further measure to enhance public safety is the board's ability to issue and publish a code for guidance on recommended standards of practice in consultation with members of the profession. The board may refer to this code as evidence when determining whether unprofessional conduct has occurred.

I commend the bill to the house.

Debate adjourned on motion of Mr DOYLE (Malvern).

Debate adjourned until Thursday, 18 May.

HEALTH PRACTITIONER ACTS (AMENDMENT) BILL

Second reading

Mr THWAITES (Minister for Health) — I move:

That this bill be now read a second time.

The Medical Practice Act 1994 and the Dental Practice Act 1999 provide an effective legislative framework for regulation of these professions.

The purpose of this bill is to update the Medical Practice Act to ensure its compliance with competition policy principles and to ensure a responsive and modern legislative framework which supports the provision of safe and high-quality medical services.

In addition, the bill amends the indemnity provisions in the Dental Practice Act together with the board's power to prevent publication of names of practitioners before the board on disciplinary hearings.

Since the passage of the Medical Practice Act in 1994, there have been a number of revisions to the standard provisions governing regulation of health practitioners, with the passage of legislation regulating optometrists, osteopaths, chiropractors, podiatrists, physiotherapists and dental practitioners.

The national competition policy review process has provided the opportunity to review and, in some cases, strengthen provisions regulating medical practitioners, as well as to introduce modern provisions to regulate advertising of medical services, requirements for professional indemnity insurance, and an updated definition of unprofessional conduct.

The Medical Practitioners Board will have powers to require that registered practitioners and applicants for registration provide information to their board on any criminal convictions, court-ordered settlements in medical negligence cases and if they are committed to stand trial for any indictable offence.

This is intended to strengthen the board's ability to address any issues which might affect the registrant's

ability to provide safe and competent medical services to the community.

The Medical Practitioners Board will also have powers to require evidence of adequate arrangements for professional indemnity insurance as a condition of initial and continuing registration.

The Medical Practitioners Board will have the power to issue guidelines about minimum terms and conditions of these insurance arrangements and to recognise mutual indemnity fund arrangements. Arrangements acceptable to the board may also vary depending on whether registrants are covered by their employer's insurance arrangements or are in non-clinical contact roles and require a lesser level of cover.

The powers of the Medical Practitioners Board are strengthened and streamlined, to receive, investigate and conduct hearings into complaints of unprofessional conduct and to impose sanctions where necessary.

I do not propose to outline these provisions in detail. They are designed to ensure that the board has powers to:

receive and investigate complaints and conduct hearings and make findings and determinations in relation to practitioners who have let their registration lapse;

obtain warrants for the entry and search of premises;

select from a panel of experts appointed by Governor-in-Council members to sit on hearing panels;

require a practitioner undergo further education and training arising from an informal hearing;

in the interests of justice suppress the identity of a practitioner against whom a complaint has been made, until a hearing panel makes a determination;

require practitioners to return their current certificates of registration for endorsement with any conditions, limitations or restrictions imposed.

The bill provides that the Dental Practice Board will only be able to suppress the name of a dental practitioner who is before the board against whom a complaint has been made where the interests of justice require such a suppression.

A further measure to enhance public safety is the Medical Practitioners Board's ability to issue and publish codes for guidance as to recommended standards, in consultation with members of the professions. These codes may outline what are considered by the board to be acceptable minimum standards of practice. The board may refer to these codes as evidence when determining whether unprofessional conduct has occurred.

It is expected that development of these codes will be done with appropriate consultation with the profession and be based on sound evidence.

The bill provides for registration protection for those medical practitioners who cross into Victoria from other states and territories to assist in organ recovery, patient transport or to provide emergency treatment.

The provisions of the Medical Practice Act relating to the establishment, powers and functions of the Intern Training Accreditation Committee (ITAC) are to be repealed.

The Medical Practitioners Board will retain its powers to provisionally register interns and approve intern training positions in hospitals, but it will have the power to delegate those advisory functions previously undertaken by ITAC to an external body, such as the new Postgraduate Medical Council of Victoria.

Strengthened advertising provisions are included in the bill to further ensure protection of the public. The bill amends the prohibitions on advertising in the Medical Practice Act.

The bill creates a power for the Medical Practitioners Board to prepare guidelines for registrants on minimum acceptable standards for advertising of medical services, and for these guidelines to be published by order of Governor in Council in the *Government Gazette*.

There are powers for courts to order corrective advertising and impose penalties for continuing offences, as well as an extension to three years of the limitation period for prosecution of such offences.

The bill introduces a power for the Medical Practitioners Board to require that medical students be registered while undertaking their training, where they have direct clinical contact with patients. The board will have the power to conduct investigations, informal hearings and to impose conditions, limitations or restrictions on the clinical contact roles of medical students who are found to be incapacitated or alcohol or drug dependent.

It is not intended that the board publish the addresses of medical students on that part of the register that is open to the public.

The bill observes Victoria's obligations under the national agreements on mutual recognition and competition policy.

Development of the bill has involved an extensive process of consultation and discussion. The current boards and professional associations have been most helpful and constructive in shaping these amendments.

I commend the bill to the house.

Debate adjourned on motion by Mr DOYLE (Malvern).

Debate adjourned until Thursday, 18 May.

HEALTH SERVICES (GOVERNANCE) BILL

Second reading

Mr THWAITES (Minister for Health) — I move:

That this bill be now read a second time.

This bill is designed to implement a key commitment in the government's health policy. That commitment is to make public health care agencies in the metropolitan area more community focused and responsive to the needs of users of health services, and to reduce the health care network bureaucracy.

The Metropolitan Hospitals Planning Board initially developed the concept of networking health services in the metropolitan area. In 1995, over 30 former separate public hospitals in the metropolitan area were initially combined into seven groups of hospitals, each with a single board of governance.

The government agrees that networking of hospital services provides many benefits for patients, clinicians and the health system as a whole. However, contrary to the vision of the planning board, some health care networks have become too large and unwieldy. Their administration is seen as remote from the people at the very heart of health service delivery — patients and their families, and health care workers.

In order to determine the best way of achieving the government's objectives, last November I established the ministerial review of health care networks, chaired by one of Australia's foremost health policy experts, Professor Stephen Duckett. Professor Duckett was ably assisted by a panel consisting of Mr Stan Capp, the chief executive of Barwon Health; Ms Ella Lowe, director of nursing services at the Peninsula Health Care Network; Dr Allan Zimet, of John Fawkner Oncology; and Ms Meredith Carter, executive director of the Health Issues Centre as well as a small team of departmental officers led by Ms Penny Sharwood. The panel has worked extremely well and I wish to thank all those involved in the review process for their efforts.

The review's principal task was to advise the government on the optimal future configuration, governance and management arrangements for metropolitan public hospitals, and mechanisms to ensure coordination of health services, promotion of consumer involvement and accountability for quality of care.

The review undertook wide public consultation and its work generated an enormous amount of public interest. Over 160 written submissions were received in response to its initial public advertisements. After considering these submissions, the panel published an interim report in February of this year. Public consultation and involvement in the review process was facilitated by the creation of a home page for the review on the Internet. During February alone, the Internet site received 18 695 hits and over 8000 of these visitors downloaded a copy of the interim report.

The interim report outlined the review panel's initial thinking on the optimal configuration of metropolitan hospital structures, new governance arrangements for metropolitan hospitals and proposals for enabling legislation to facilitate the change process. It also contained detailed proposals for legislation to facilitate the reform process in a speedy and efficient manner. This bill is based on those proposals. It is an enabling bill in that it does not identify the new hospital configurations, but provides mechanisms to assist the implementation of change.

I am aware that the review has generated considerable expectation and some apprehension in the public hospital sector. It is therefore vital that the government is positioned to implement change quickly, once the review process is finalised. That is one of the key objectives of this bill.

Metropolitan health services

The bill enables the creation of new public statutory health care agencies to be known as metropolitan health services, and provides mechanisms to enable existing health care networks to be transformed into metropolitan health services. It will insert a new division 9B into part 3 of the Health Services Act 1988 which sets out the governance arrangements, functions and powers of metropolitan health services.

Metropolitan health services are to be governed by boards of directors appointed by the Governor in

Council on the recommendation of the Minister for Health. Directors will be appointed for their capacity to fulfil a governance role.

Each board must include at least one person who is able to reflect the perspectives of users of health services. This is particularly important to ensure that boards are consumer focused and do not lose sight of the interests of the people whom the agency exists to serve.

The functions outlined in the bill reflect the government's vision that metropolitan health services will:

ensure that the needs of patients and clients are met in a responsive manner;

provide high quality care and continually strive to improve quality and foster innovation;

collaborate with each other and a range of other health and welfare agencies and local government; and

minimise unnecessary duplication of public health services and work to maximise system-wide efficiencies.

For the first time, there will be a clear statutory duty on boards to ensure that effective systems are in place to safeguard the overall quality of care provided and to ensure that action is taken to address any problems identified with service quality. The bill also requires boards to establish and maintain effective systems to ensure that health services provided meet the needs of their communities, and that the views of users of health services are taken into account.

The bill requires boards of metropolitan health services to appoint at least one community advisory committee and a primary care and population health advisory committee. These committees will enable metropolitan health services to benefit from active community input and facilitate effective linkages with primary care providers and population health strategies.

Restructuring of health care networks

The bill will insert a new part 9 into the Health Services Act to enable the efficient transformation of health care networks into metropolitan health services. This new part has been designed specifically to facilitate a major system-wide change. It contains mechanisms to deal with two distinct scenarios.

The first scenario involves the transformation of an existing network into a new metropolitan health service, without disaggregating that network. Under proposed new division 2 of part 9, a new metropolitan health service may be created by an order in council. When such an order is made, proposed new division 5 of part 9 enables the staff, property, rights and liabilities of a former network to become staff, property, rights and liabilities of the new metropolitan health service. It also enables the incorporation of the network to be cancelled. In these circumstances, the new metropolitan health service will simply become the successor in law of the former network for all purposes, and will be able to benefit from trusts in relation to the former network and all its predecessor agencies. I will deal specifically with the issue of trusts shortly.

The second scenario is the disaggregation of existing networks and the allocation of staff, property, rights and liabilities to new health care agencies. Aside from enabling the creation of new metropolitan health services, the bill also permits the establishment of new community health centres. This scenario is more complex because staff, property, rights and liabilities will need to be divided and allocated to various newly created agencies.

Proposed new division 6 of part 9 provides for the making of orders and instruments which allocate specified staff, property, rights and liabilities of a network which is being disaggregated to designated health care agencies. Those agencies then become the successors in law of the former network in respect only of the property, rights and liabilities which are actually transferred to them. The designated agency also becomes the employer of staff who are transferred to it. While the bill does enable the existence of multiple concurrent successors in law, it does not enable two or more agencies to be joint successors in law as this is considered to be unworkable.

An administrator may be appointed to a network which is to be disaggregated. In addition, a network which is undergoing disaggregation will continue to exist as a legal entity until it is abolished by order in council under proposed new section 223 of the act. The incorporation of a network will only be cancelled when, as far as practicable, all property, rights and liabilities have been allocated to other agencies. If there are any residual property, rights and liabilities — other than those under trusts — they will revert to the Crown.

This will enable the abolition of the entity to occur efficiently, without the need for a report to be prepared on options for continuing the services of the agency and a period of public consultation. Compliance with this process would otherwise be required under section 62

of the Health Services Act which sets out the ordinary procedures for closure of public health care agencies.

I wish to emphasise that part 9 is intended to be transitional in nature. Accordingly, new metropolitan health services and community health centres can only be created under this part within 12 months from the date of commencement of the bill. Any subsequent changes to hospital structures will need to take place pursuant to the ordinary provisions of the Health Services Act. However, the bill provides sufficient flexibility to enable transfer of property, rights and liabilities to the new health care agencies established under part 9 beyond the initial 12-month period.

In addition, network administrators will have the capacity to operate any health services which are not immediately transferred to another agency, as a transitional measure. This recognises that there may be special circumstances in which not all rights, liabilities and property may be transferred within 12 months from the date of commencement of the bill.

In relation to both of the scenarios I have described, the bill contains provisions which operate to ensure that nothing done under its provisions is to be regarded as, for instance, placing any person in breach of an act or law or any agreement; causing any agreement to be void and unenforceable; or of releasing any party from obligations given simply because there has been a change in the legal status of the health care agencies concerned. The aim of these provisions is to preserve existing legal arrangements as far as possible, despite the change in the legal status and governance arrangements of health care agencies effected by this bill.

Statement under section 85(5) of the Constitution Act 1975

I wish to make a statement under section 85(5) of the Constitution Act 1975.

Clause 11 inserts a new section 226 into the Health Services Act 1988. Section 226 provides that nothing done under divisions 2, 3, 5 or 6 of part 9 or section 190 gives rise to any cause or right of action or application before any court or tribunal. Clause 10 inserts a new section 157G which provides that it is the intention of section 226 to alter or vary section 85 of the Constitution Act 1975.

The reason for altering or varying section 85 is to ensure that nothing done under divisions 2, 3, 5 or 6 of new part 9 or new section 190, including the following:

the creation of new public health care agencies;

the transformation of metropolitan health care networks into metropolitan health services;

the disaggregation and abolition of health care networks; or

the appointment of an administrator

is delayed or prevented by legal proceedings. This provision is considered necessary to enable the essential restructuring of Melbourne's public hospital system to proceed in an effective and coordinated manner, and without disruption to the provision of services.

Trusts

The bill also contains provisions to preserve the operation of trusts, and to transfer their application to the appropriate successor of a health care network. This means that the appropriate successor will be eligible or entitled to benefit from a trust. This is intended to ensure that a trust does not fail simply because of the changes to the legal structures which govern hospital services. Donations for public health care can therefore continue to be used for the benefit of the community.

Over time there have been a series of alterations to the corporate status of public hospitals within Victoria. The act currently contains provisions to ensure that, where an agency is amalgamated or aggregated, trusts in relation to that agency are to be applied in favour of its successor.

Where a trust was created in relation to an agency which was amalgamated, and there has been a sequence of subsequent amalgamations or aggregations involving any of the various successors of that agency, the ultimate successor of all of these former agencies is able to benefit under that trust.

The act currently provides that the health care networks now in existence are, for the purposes of trusts, the successors of the agencies that they immediately replaced, and also of all of the former agencies that, at any time, were amalgamated, as part of the chain of succession leading up to a network.

The bill builds upon these provisions, by applying a similar model in relation to the transition to metropolitan health services. It does this in two ways.

The first situation addressed in this bill is where a network's incorporation is cancelled and it is succeeded by one metropolitan health service. In this instance, all trusts that apply in relation to the network, or its former agencies, will apply to the metropolitan health service.

This is appropriate as it will be assuming responsibility for the services previously provided by the network.

The second situation is where a network is disaggregated, and is therefore succeeded by more than one agency. It would not be appropriate for the bill to transfer the eligibility or entitlements under all relevant trusts to one particular successor. Instead, it creates powers for orders to be made by the Governor in Council, to ensure that trusts are to be applied in relation to the most appropriate successor.

In 1995 the original metropolitan hospitals were established. On 1 August 1995 these original metropolitan hospitals were aggregated, to form new metropolitan hospitals known as health care networks. It is from this date that it became the norm for a number of hospital campuses in the metropolitan area to be governed by one incorporated body.

Therefore new section 214 of the act provides that a new metropolitan health service is to benefit from trusts in relation to a specified original metropolitan hospital. It is also to benefit from trusts that apply to all of the former agencies of that original metropolitan hospital. For this to occur, an order of the Governor in Council must be made specifying which metropolitan health service is to be the successor of each original metropolitan hospital, for the purposes of any trust. Regard must be had by the minister to the campuses which are to be operated by the new metropolitan health service, in recommending that such an order be made. This is intended to enable trust funds or property to follow the campus.

New section 215 applies in the case of metropolitan hospitals which were known as health care networks, and which were created on and after 1 August 1995. Orders may be made which will have the effect of ensuring that trusts specified in the order in relation to a particular network are to be applied in favour of the metropolitan health service which is specified in the order. Again, the minister must have regard to the campuses which are to be operated by the metropolitan health service in recommending that an order be made.

Section 5A of the act will continue to apply to all trusts which are applied in accordance with this act. This makes it clear that, if the person who has created the trust specified the particular purposes of the agency for which the trust was created, such as the treatment of children, then the trust may only be applied to the successor agency for a similar or corresponding purpose.

Conclusion

This bill is designed to improve the effectiveness of Victoria's metropolitan hospital system by bringing public health care agencies closer to the communities they serve, and injecting a renewed spirit of collaboration and cooperation among these agencies. It is vital to ensure that the Victorian health system is responsive to community needs, accessible to the population it serves and continues to provide high quality care.

I commend the bill to the house.

Debate adjourned on motion of Mr DOYLE (Malvern).

Mr THWAITES (Minister for Health) — I move:

That the debate be adjourned for two weeks.

Mr DOYLE (Malvern) — I ask for the minister's guidance on the question of time. I note that it is enabling legislation rather than specific, and therefore it does not identify the new hospital configurations as described in the second-reading speech. Having heard the second-reading speech, that seems to be appropriate and I understand why that is the case.

The second-reading speech also refers to the fact that the review process is not yet finalised in the public sense, and that is because, as the second-reading speech makes clear, the minister has asked Professor Duckett to chair a committee to consider the new configurations. I presume Professor Duckett's committee has reported to the minister and I seek clarification of whether at some time, as I expect, the report will be made public.

Given that the Duckett report will be made public, I ask the minister if the configurations and specific recommendations would therefore be on the table for examination. When the specifics are known it would be appropriate and sensible for opposition members to have a briefing on both the bill and some specific questions. At that point we could then go out to the community and those hospitals for appropriate consultation.

On the matter of time, I am not suggesting that there is not necessarily a need to extend the period of adjournment beyond two weeks, but given that that process is now to be followed, so long as there is an agreement not to bring on this bill as one of the earlier bills to be debated and there is a reasonable time frame within which those steps — the decision on the Duckett report, the briefing to the opposition and the consultation with the community — can take place, the

opposition would not need to argue about a longer or a shorter period of time.

I seek from the minister an undertaking that within a reasonable time frame as long a period as possible be provided before the bill is brought on in the period for debate that will succeed the second reading completed today.

Mr THWAITES (Minister for Health) — I certainly intend to fully brief the opposition both on the bill and on the government's final decision in relation to the Duckett report, when that is made.

The point about this legislation is that, as with the other legislation introduced by the previous government, it is merely enabling legislation; it will not in any sense determine the shape of the structure. Using a number of different mechanisms the previous government changed the shape of the network structure over the years, and the government clearly has that overall role. I emphasise that the two are separate and this is merely enabling legislation.

Mr DOYLE (Malvern) (*By leave*) — I am not trying to be difficult. I understand, particularly about it being enabling legislation, and I agree with the minister. All I am suggesting is that given the house is completing 16 second-reading speeches today, of which this is the fourth, the government has considerable flexibility within its own programming to push it back down the list so that it is not necessarily the fourth one debated when we come back two weeks from now. If by mutual agreement the opposition were able to find that that process has been appropriately followed, it would have no objection to that.

I am asking, given there is a bit of flexibility in the government's business program because 16 bills are commencing the second-reading stage today, whether there could at least be negotiation about when this bill might appropriately be brought on and the opposition briefed.

Mr THWAITES (Minister for Health) (*By leave*) — I cannot give any further undertakings. Obviously I do not determine the program. I can say only this: firstly, that I would want to ensure that the opposition is briefed on the bill as early as possible, and secondly, that the bill relates to the enabling aspect of the legislation, which is a separate issue from the final outcome.

Motion agreed to and debate adjourned until Thursday, 18 May.

TOBACCO (AMENDMENT) BILL

Second reading

Mr THWAITES (Minister for Health) — I move:

That this bill be now read a second time.

I am proud to present this bill today as it represents a major public health initiative and demonstrates how far we have come, as a community, in recognising the significant health threat that smoking poses.

More than 4500 Victorians die each year of smoking related illness and smoking costs Victoria in excess of $3.3 billion each year. About 15 per cent of all deaths in Australia can be attributed to tobacco-related causes such as lung cancer, heart disease and emphysema. These deaths are avoidable.

Reducing smoking rates is the single most effective way to enhance the health status of Victorians, and to impact on rising health care costs.

The efforts of previous governments and health promotion agencies in reducing adult smoking rates from around 35 per cent in the early 1980s, to 26 per cent now, are commendable. But over the 1990s no progress has been made in relation to teenage smoking rates or a number of other high-risk groups.

In 1996 in Victoria 77 000 children aged 12 to 17 years smoked a total of 2 million cigarettes in one week. The younger a person is when they start to smoke the more likely it is they will become a heavier, more addicted smoker and suffer from a smoking-related disease. Further, recent economic modelling by the University of Melbourne shows that if current tobacco policy remains constant, tobacco consumption will rise again.

The amendments contained in this bill represent the most significant achievement in tobacco control since the Victorian Tobacco Act was introduced with bipartisan support in 1987.

In summary, the key tobacco reforms contained in the bill are that:

smoking in Victorian restaurants and eating places will be abolished;

smoking will be banned in specified shopping centres;

point-of-sale advertising of tobacco products in retail outlets will be banned;

limits will be placed on the size, number and type of tobacco displays permitted at tobacco retail outlets;

tobacco retailers will be required to display health warning signs or signs advertising smoking cessation programs;

a negative licensing system for tobacco retail outlets will be introduced;

penalties for selling illegal tobacco products will be introduced for retailers who sell 'black market' tobacco products; and

fines for selling cigarettes to minors will increase from $1000 to $5000.

Local councils will continue to be responsible for enforcing tobacco legislation.

The Bracks government is eager to continue the productive working relationship we have forged with local government since coming to office. We recognise the pivotal role local government will have in ensuring the success of the new tobacco reforms.

There may be some who criticise the tobacco reforms as merely further regulation by government. But tobacco kills 13 Victorians every day. Given the health consequences of this drug, tobacco is precisely the area in which the law must be stringent and watertight.

Over the past 20 years, research has increasingly revealed the harm of second-hand smoke — especially to children. Ill effects from passive smoking include lung cancer, heart disease, underweight babies and respiratory problems in children. Around 1600 deaths each year in Australia are linked directly to passive smoking. About 146 of these deaths are from lung cancer and about 10 times that number are from heart disease.

This government has an obligation to protect the Victorian community from the hazards of second-hand smoke. Industry bodies such as the Restaurant and Catering Association of Victoria have welcomed the moves to regulate passive smoking in restaurants. Many people in the industry have also noted the maintenance and cleaning costs to business which are incurred as a result of the smoking. Protection of staff from passive smoking is also a priority.

The Victorian government does not anticipate that restaurants will lose business because of the changes. Studies in Canada and the USA reported in various health promotion and medical journals in 1998 and 1999 consistently found that restaurant revenues did not decrease after the introduction of smoking bans. Indeed, the majority of people prefer to eat in a smoke-free environment.

In 1997, research undertaken by the Anti-Cancer Council of Victoria found that 97 per cent of restaurant patrons in Victoria supported restrictions of some form in restaurants and 76 per cent preferred to eat in non-smoking areas.

The trend towards smoke-free dining is well under way. In the USA, smoke-free restaurants are common in many states and cities. Smoke-free dining has already been introduced in the Australian Capital Territory, Western Australia and most recently in South Australia.

A key aspect in terms of managing the transition to smoke-free dining will be getting the right information to the right people at the right time. This means getting accurate and timely information to the restaurant sector, to local government and to the broader community. In practice, we know that for restaurants to remain smoke free we will be relying on the cooperation of restaurant owners, those in the community who smoke, and local government, which will be responsible for enforcing the new legislation. Making sure the community understand the changes, and their obligations in relation to smoke-free eating, is an important way in which the state government can support local government to enforce smoke-free dining.

Many Victorian shopping centres are already smoke free and in 1998 research by the Anti-Cancer Council of Victoria showed that 70 per cent of Victorian shoppers surveyed supported smoke-free shopping centres.

There are precedents for smoke-free shopping. Legislation to prevent smoking in shopping centres has been in place in the ACT for several years. Last year, it was introduced in Western Australia.

The Victorian government has forged a strategic alliance with the Shopping Centre Council of Australia to regulate passive smoking in the council's shopping complexes. The shopping centre council has welcomed the application of the smoking bans in its member shopping centres, as the legislation will strengthen enforcement of the council's current smoke-free policy.

The new arrangements will result in 50 of Victoria's large and medium-sized shopping complexes being covered by smoke-free laws. The Bracks government expects that additional shopping centres will be included in the near future. Environmental tobacco smoke is one of the most pressing issues on the tobacco

agenda but a further urgent matter relates to young people taking up a habit that may eventually kill them.

Victorian children spend about $25 million per year on cigarettes and 80 per cent of smokers start before turning 18 years of age. Smoking is essentially a childhood 'habit' that continues into adulthood. In the 1990s no inroads were made into younger adolescent smoking rates in Victoria.

The take-up rate for adolescent women aged 16 and 17 years is of concern and has exceeded that of adolescent males:

in 1993, 32 per cent of boys aged 16 to 17 years were smokers. In 1996, only 29 per cent of boys aged 16 to 17 years smoked;

by contrast, in 1993, 33 per cent of girls aged 16 to 17 years smoked. But in 1996, 37 per cent of girls aged 16 to 17 years smoked.

In an attempt to stem the tide we are proposing to ban tobacco advertising in shops that sell tobacco, place limits on the display of tobacco products in shops, and take tough action against retailers who repeatedly sell cigarettes to children. This builds on the provisions in the current Tobacco Act which are the result of bipartisan action in the past.

International research tells us that advertising may play an even more significant role than peer pressure in influencing teenagers to smoke. Therefore, preventing children's exposure to the remaining forms of tobacco advertising, and large displays of tobacco products, is a vital component of our tobacco control strategy.

Research conducted in the United States in 1998 also suggests the outlets where children most commonly obtained cigarettes displayed the highest proportion of tobacco advertising. Brands most commonly smoked by youth were found to be the most heavily advertised brands.

Turning to the issue of health warnings in tobacco retail outlets, research has shown health warnings on cigarette packets has caused a reduction in smoking. Mandatory health warnings in tobacco retail outlets are an important way to promote key messages about tobacco use and may decrease the likelihood of young people taking up smoking. It is crucial that we act now to limit young people's exposure to positive messages about the leading cause of death and disease in Australia.

There is also evidence that tobacco is a gateway drug to other forms of drug addiction. By preventing or delaying the uptake of smoking, we may also help reduce the uptake of alcohol abuse or illicit drugs. Retailers have an important role to play in protecting the health of our young people by refusing to sell them cigarettes.

The government knows that responsible retailers already take steps to implement the current laws. But research shows that in this state, cigarette sales to adolescents continue to be significant. The surveys suggest that about 40 per cent of retailers are selling tobacco to children on a regular basis. This means there are at least 6400 outlets selling to children across the state.

It is estimated that Victorian retailers who do not comply with the law make around $4 million per year from illegal tobacco sales to children. If cigarette sales to children can be stopped, there is less chance that they will take up smoking.

Nineteen ninety-nine data from the Anti-Cancer Council of Victoria shows that the community feels strongly about the problem of cigarette sales to minors. Sixty-three per cent of those surveyed said that shopkeepers caught twice selling cigarettes to minors should be banned from selling cigarettes in future.

To help control the unacceptably high level of cigarette sales to minors, a negative licensing system will be introduced. The licensing system will apply to all Victorian retailers, and will mean that retailers who consistently flout the law and sell cigarettes to minors can be excluded from the tobacco market. Their privilege to sell tobacco will be removed.

There has been rapid growth in the amount of contraband tobacco on sale in Australia. In some cases this tobacco is brought into the country illegally and in some cases stolen. Contraband tobacco products are unregulated and are potentially even more harmful than legally manufactured tobacco.

Further, contraband tobacco manufacturers evade tax on their product, making it a far cheaper alternative to legal tobacco. Recent economic modelling suggests price is a key determinant of tobacco consumption. This is of concern particularly in relation to young people, whose use of tobacco tends to be extremely price sensitive. Contraband tobacco does not include the required health warning label, which has the function of reminding consumers of the negative health effects of smoking.

The Bracks government will pursue sellers of this illegal product in the same way we pursue the traffickers of other illegal drugs. New penalties

including the loss of the privilege to sell tobacco are planned to discourage retailers from becoming involved with the illegal trade. Therefore triggering offences for the purpose of the negative licensing scheme will relate to cigarette sales to minors, and possession of illegal tobacco. In instances where the breach is a first offence, the arrangements will result in a magistrate being empowered to suspend a retailer's ability to sell tobacco for up to three months.

For a second offence, there will be a mandatory suspension for a minimum of three months or up to 12 months at the discretion of the magistrate. For a third offence, there will be an automatic cancellation of the privilege to sell tobacco for five years. The introduction of the system will send a clear message to retailers that government will not tolerate the sale of cigarettes to children, nor the sale of contraband tobacco. I stress that these provisions will in no way affect those retailers who currently operate within the law, and who do not sell tobacco products to young people, or illegal tobacco.

A negative licensing scheme as proposed does not require retailers to register their business or impose a fee. We have examined the possibility of introducing a positive licensing system, as other states have, but have decided to proceed with this scheme. However, we shall be monitoring the situation carefully and if sustained progress has not occurred in curbing sales to minors, we will consider a further amendment of the bill to introduce a positive licensing scheme.

In addition to these sanctions, the government will also introduce new penalties for retailers who sell cigarettes to minors. The maximum penalty for people found guilty in the Magistrates Court of selling cigarettes to children will increase from $1000 to $5000.

In conclusion, smoking rates have plateaued for the past five years. Twenty-seven per cent of Victorian males and 24 per cent of Victorian females smoke. Take-up rates for young Victorian women are increasing.

Victoria is lagging behind other jurisdictions in relation to tobacco policies. If we do nothing, the research tells us the incidence as well as the economic and social cost of tobacco use will continue to rise. There is no excuse for being complacent about the significant health threat tobacco poses to Victorians.

The bill we are proposing will put Victoria at the forefront again in reducing the toll of tobacco-related disease. Victoria led the world with the 1987 Tobacco Act, which received bipartisan support. We can again lead with this bill.

I commend the bill to the house.

Debate adjourned on motion of Mr DOYLE (Malvern).

Debate adjourned until Thursday, 18 May.

STATE TAXATION ACTS (MISCELLANEOUS AMENDMENTS) BILL

Second reading

Mr BRUMBY (Minister for Finance) — I move:

That this bill be now read a second time.

The purpose of the bill is to make amendments to the employment agency provisions of the Pay-roll Tax Act 1971 and the marketable security and land-rich provisions of the Stamps Act 1958. The bill also repeals the Probate Duty Act 1962 and the Gift Duty Act 1971, and abolishes outstanding liabilities under the Probate Duty Act.

The Pay-roll Tax Act amendments are necessary to clarify the employment agency provisions to overcome an unintended consequence involving members of the same pay-roll tax group.

The Stamps Act amendments focus on the land-rich provisions and are designed primarily to:

remove potential tax avoidance opportunities;

protect state revenue; and

improve the effectiveness of the legislation.

The government has decided to abolish all the outstanding liabilities under the Probate Duty Act 1962, which does not apply to estates of persons dying on or after 1 January 1984. Because there is no further work for that act or the related Gift Duty Act 1971, the government has also taken the opportunity to repeal both these acts.

I will now address specific amendments in greater detail. Currently, the Pay-roll Tax Act deems the gross amount payable by a client for labour services provided under an employment agency contract to be wages. Clause 5 of the bill amends the act so that employment agency contracts do not include those arrangements where the parties to the contract are members of the same group within the meaning of the Pay-roll Tax Act. In such cases, any commission passing between related parties is usually nominal. The effect of the amendment is that only amounts paid or payable between unrelated parties will continue to attract the prescribed 25 per cent

deduction from deemed wages, with this deduction reflecting an employment agency's commission.

Clause 6 of the bill amends the Stamps Act 1958 from 1 July 2000 by removing adhesive stamps as a means of paying duty for transfers of shares in private companies, which have direct or indirect interests in land. This measure complements the land-rich amendments I later describe, and protects revenue by ensuring proper scrutiny of these transactions through lodgement at the State Revenue Office either in person or by mail.

The land-rich provisions are designed to prevent avoidance of conveyance duty where the ownership or effective control of land is altered through the acquisition of shares or units in a private land-owning corporation or trust, rather than by a direct transfer of land. Clause 7 of the bill amends the Stamps Act 1958 from 1 July 2000 by strengthening the land-rich provisions in three ways.

Firstly, the period for aggregation of separate interests acquired by a person or related persons is increased from 12 months to 3 years. The existing 12-month period is ineffective in overcoming sales over time through separate parcels, which can be used to defeat the land-rich provisions. To avoid any retrospective application it is intended to progressively increase the aggregation period from 12 months to 3 years from the date of the acquisition.

Secondly, the bill removes the 12-months limitation on the commissioner to make a declaration in respect of any asset manipulation designed to defeat the land-rich provisions. Such manipulation involves acquisition of assets for the purposes of diluting the required percentage of land property that triggers the land-rich provisions. Again to remove retrospectivity, the bill only lifts the limitation on declarations made after 1 July 2000 in respect of assets acquired after 1 July 1999.

Thirdly, a person who acquires a relevant interest in a land-rich corporation is required to lodge a statement in relation to that acquisition within three months of the dutiable event. There is no penalty for non-lodgment of the statement and therefore this requirement can be avoided until the transaction is detected by compliance activity and an assessment for duty issued. The bill provides a penalty of 500 penalty units for a body corporate and 100 penalty units in other cases as a deterrent for non-lodgment.

Probate duty was progressively abolished by all states following its abolition by Queensland in 1976 to avoid a mass transfer of assets to that state. In Victoria, the abolition was phased in and probate duty was completely abolished as at 1 January 1984 for persons dying on or after that date. For liabilities prior to that date, payment could be postponed if hardship might result for a beneficiary if for example a life tenant was entitled to remain in the deceased's home being the estate's sole asset.

The revenue collected or to be collected since 1984 generally represents amounts payable by pre-1984 estates which have not been administered previously or where collection of such duty has been postponed because of life tenants.

Future revenue is negligible and is estimated to be about $0.5 million. In these circumstances and given the costs associated with recovering these liabilities, the government has decided it would be more efficient to abolish all outstanding and future liabilities, both known and currently unknown, as provided by subclause 4(2) of the bill.

Gift duty was introduced in late 1971 as a measure to prevent people avoiding or reducing their liability to probate duty by gifting away their assets before their death. It was completely abolished with respect to any gift made on or after 1 January 1983. Unlike probate duty, there are no outstanding known liabilities.

Because the Probate Duty Act 1962 and the Gift Duty Act 1971 will now have no further practical operation — yet they will remain on the statute books as pieces of law and regulation, now redundant — the government has decided to remove these acts from the statute book. Clauses 3 and 4 effect their repeal.

I commend the bill to the house.

Debate adjourned on motion of Ms ASHER (Brighton).

Debate adjourned until Thursday, 18 May.

SUPERANNUATION ACTS (AMENDMENT) BILL

Second reading

Mr BRUMBY (Minister for Finance) — I move:

That this bill be now read a second time.

The purpose of this bill is to introduce legislation to implement the commonwealth superannuation contributions tax on Victorian public sector superannuation schemes and make miscellaneous amendments to the Emergency Services

Superannuation Act 1986, the government Superannuation Act 1999 and the Parliamentary Salaries and Superannuation Act 1968.

With the passing of commonwealth legislation on 5 June 1997, certain contributions called surchargeable contributions made to a superannuation fund on behalf of high-income earners after 7.30 p.m. on 20 August 1996 became subject to a superannuation contributions tax, known as surcharge. Because the surcharge is imposed on the fund, legislation is being introduced to allow Victorian public sector superannuation schemes to recover the surcharge from members. This legislation will bring Victoria into line with every other state and the commonwealth as this government believes it is only fair and proper that members of Victorian public sector superannuation schemes pay the surcharge like everyone else, and it will save Victorian taxpayers an estimated $3 million a year.

The Victorian public sector superannuation schemes affected by this legislation are the defined benefit schemes of:

the Parliamentary Contributory Superannuation Fund;

the revised, new, transport and state employees retirement benefit schemes of the State Superannuation Fund;

the Emergency Services Superannuation Scheme; and

the accumulation scheme Essplan — including beneficiary accounts held within Essplan.

For defined benefit scheme members, a surcharge debt account will be established by the fund for each member to which interest will be applied to the balance as at 30 June each year. The rate of interest is the same as the rate set by the commonwealth under its surcharge legislation — that is, the 10-year bond rate.

When the benefit is due to be paid to a defined benefit scheme member, provisions are to be inserted to allow trustee discretion to apply to determine how much of the outstanding debt is to be recovered from the member's benefit payment. Trustee discretion is provided to cater for circumstances when a member's final benefit varies substantially from the benefit assumptions that had been used for surcharge assessment each year. The trustee discretion criteria are based on the same criteria that the commonwealth has given its own fund administrators — that is, the trustee must have regard to:

the surcharge debt balance;

the value of the employer-financed component of the benefit;

the values of the benefit that were assumed likely to be payable to the member on exit when working out the surchargeable contributions each year;

whether the person has or had qualified for the maximum benefit; and

any other relevant matters.

Trustee discretion also imposes a cap of 15 per cent of the post-20 August 1996 employer-financed portion of the benefit, with the member liable to pay the lesser of the amount in the surcharge debt account or the 15 per cent cap. Any outstanding surcharge debt balance is paid for by the fund. Trustee discretion guidelines will be put in place by each fund administrator to outline the method of approach for the application of the discretion required under the legislation.

Although Essplan is fully funded, for surcharge purposes it is treated as part of the unfunded defined benefits scheme, the Emergency Services Superannuation Scheme. As a result, surcharge debt accounts will be established by the fund for each Essplan member with interest, at the 10-year bond rate, being applied to the balance as at 30 June each year. When the benefit is due to be paid to the member, the member's benefit will be reduced by the amount outstanding in the member's surcharge debt account. No legislative amendment is required to give the board the power to recover such debt as current provisions already allow any tax paid or payable by the board in respect of contributions to be deducted from an Essplan member's account.

Any defined benefit scheme or Essplan member who has a surcharge debt account may reduce the amount outstanding in his or her debt account by prepaying part or all of the debt at any time. This prepayment will be remitted to the Australian Taxation Office by the fund and the debt account reduced accordingly.

When the legislation is enacted, the surcharge recovery provisions will apply to all current members who have had any surcharge debt assessed on surchargeable contributions since 20 August 1996.

As surcharge liability is calculated on a member's adjusted taxable income for each financial year, surcharge assessments made by the Australian Taxation Office may not be received until at least 1 or 2 years after a member exits a scheme.

Where members have exited their scheme prior to enactment, the commonwealth surcharge legislation requires any surcharge paid by the fund but not recovered from the member's benefit to be reported to the Australian Taxation Office as additional surchargeable contributions for that member as the non-recovery of debt is deemed to be an additional employer-financed benefit to that former member.

It is a particularly unpleasant little tax.

Where a member has already taken or takes all of his or her benefit in cash, any surcharge assessed after exit becomes the responsibility of that former member. If the former member has rolled over his or her benefit into another superannuation fund, it becomes the responsibility of that new superannuation fund to pay the surcharge debt to the Australian Taxation Office and to reduce the member's account balance accordingly. For beneficiary account holders who have rolled over benefits within Essplan, the proposed legislation will allow the beneficiary account to be reduced by the amount paid to the Australian Taxation Office at the same time the payment is made by the fund.

Where benefits have been deferred within the State Superannuation Fund or under the Superannuation (Portability) Act 1989, then the fund is responsible to pay any surcharge assessed after exit to the Australian Taxation Office because the fund is still the 'holder' of the surchargeable contributions. The payment by the fund to the Australian Taxation Office must be within one month of receipt of the assessment. To allow the fund to recover that payment from the member's deferred benefit, legislative amendments are to be inserted to give the fund administrator the power to actuarially reduce a member's deferred benefit for the purposes of surcharge recovery.

Where a former member is in receipt of a pension entitlement, provisions are being inserted into the governing rules of defined benefit schemes to allow that former member to elect to commute a portion of that pension entitlement to pay the debt. A time limit of three months from date of assessment is to be applied to any election request. The fund administrator is provided with the power to actuarially reduce the member's pension entitlement accordingly.

Provisions are being inserted into the Emergency Services Superannuation Act 1986 and the Government Superannuation Act 1999 at the request of the Emergency Services Superannuation Board and the Government Superannuation Office to make a number of miscellaneous amendments relating to minor administrative matters.

In the Emergency Services Superannuation Act 1986, one amendment will insert a provision to apply the standard time limit of 28 days for application for review by the Victorian Civil and Administrative Tribunal. This will bring the Emergency Services Superannuation Act 1986 in line with all other Victorian acts governing public sector superannuation which were amended to apply this 28 day time limit when VCAT became the successor to the Administrative Appeals Tribunal in July 1998.

An amendment is to be inserted in the Emergency Services Superannuation Act 1986 to allow a death benefit payable from a beneficiary account held within Essplan to be paid to either or both the member's legal personal representative and dependant/s. Current provisions only allow the beneficiary account balance to be paid to a legal personal representative. The proposed amendment is in line with all other death benefits payable under the act and with commonwealth superannuation law.

The definition of 'current equivalent of salary on termination of service' in the Emergency Services Superannuation Act 1986 is also to be amended. This definition applies to a number of uncommon benefits for former contributors throughout the act. The proposed amendment will clarify that the word 'salary' in the definition means 'final average salary' — that is, the average over two years — which is the interpretation that the board applies to this definition and is the salary used to calculate benefits to current contributors to the Emergency Services Superannuation Scheme.

In the Government Superannuation Act 1999, amendments are being inserted to provide ongoing cover of the specified standards relating to preservation and early release of benefits to members of the MTA Superannuation Fund. When the Public Sector Superannuation (Administration) Act 1993 was repealed on 1 July 1999, a provision was inserted in the Government Superannuation Act 1999 to provide continuing coverage of benefit provisions for MTA Superannuation Fund members. That substituting provision in the Government Superannuation Act 1999 was also intended to provide continuing coverage for these members in relation to any standards specified for preservation and early release of benefits. The proposed amendments will provide this continuing coverage by linking the reference to 'specified standards' to mean those specified under the Transport Superannuation Act 1988.

Amendments are also being made to the Government Superannuation Act 1999 to allow recovery of surcharge assessed against a member of the MTA Superannuation Fund and to correct an incorrect reference to a subsection under section 8 of that act.

An amendment is being made to the Parliamentary Salaries and Superannuation Act 1968 to make provision for the chairman of the parliamentary Economic Development Committee to receive an additional salary, consistent with the entitlement of a chairman of a joint investigatory committee. The additional salary will be payable to the chairman of the Economic Development Committee from the date the Economic Development Committee was established until that committee ceases to operate.

In conclusion, this bill implements the requirements of the commonwealth's superannuation contributions tax, otherwise known as the surcharge. These changes bring Victoria into line with other states and will save taxpayers up to $3 million per annum. When combined with other changes to superannuation announced in the 2 May budget, they confirm the extent of the government's reform agenda in superannuation.

I commend the bill to the house.

Debate adjourned on motion of Ms ASHER (Brighton).

Debate adjourned until Thursday, 18 May.

ELECTRICITY INDUSTRY ACTS (AMENDMENT) BILL

Second reading

Mr BRUMBY (Minister for State and Regional Development) — I move:

That this bill be now read a second time.

The bill represents an important step in the government's commitments to ensure, when competition to sell electricity to domestic and small business customers commences from 1 January 2001, that Victorians benefit from an appropriate consumer protection regime.

The previous government has provided by the Electricity Industry Act 1993 that the group of customers that includes domestic and small business customers — that is, the group that consumes 160 megawatt hours per annum or less — become subject to competition for the sale of electricity from 1 January 2001. However, there is currently no provision in the act for the government or the Office of the Regulator-General to specify and enforce an appropriate consumer protection regime for consumers beyond that date when existing protections fall away.

The bill is drafted on the basis that in the national electricity market, effective competition should be the driver of prices for electricity. However, where a competitive retail market has not yet adequately developed, plainly there is a need to ensure the appropriate mechanisms are in place to address the issues that consequentially arise. The government is conscious that the market for small business and domestic customers may not be adequately competitive from 1 January 2001. In the light of this, the bill contains transitional provisions allowing for, but not requiring, regulation of retail prices. In addition, effective competition for domestic and small business customers must be matched with long-term consumer protections such as minimum standards, supplier of last resort protections, delivery of community service obligations and provision of minimum customer rights. The bill makes provision for both those and other matters too.

Electricity retail prices for domestic and small business customers are currently subject to regulation both by the government and by the Office of the Regulator-General. The government's current regulatory power is derived from section 158A of the Electricity Industry Act 1993, which provides that the Governor in Council may, by order published in the *Government Gazette*, regulate tariffs for the sale of electricity to franchise customers. Because of the staged introduction over the past several years of competition for sale of electricity to larger customers, the only persons now covered by the term 'franchise customers' are the group which includes domestic and small business customers.

An order was made by the Governor in Council under section 158A on 20 June 1995 and has been amended by subsequent orders and statute in 1995, 1997, 1998 and 1999. Clause 2 of the order regulates retail prices for domestic and small business customers by specifying a maximum uniform tariff which may be charged by electricity retailers to those customers. The Office of the Regulator-General is given certain functions, principally enforcement, in relation to retail price regulation by clause 2 of the order but does not otherwise independently regulate retail prices.

By virtue of the definitions of franchise customer and non-franchise customer in section 154 of the Electricity Industry Act 1993 and the operation of the Electricity Industry (Non-Franchise Customers) Regulations 1995, as from 1 January 2001 all domestic and small business

customers will cease to be franchise customers. The result is that the existing regulation of retail prices by orders made under section 158A will end and there will be, unless further provision is made in the Electricity Industry Act 1993, no power either for the government or the Office of the Regulator-General to regulate retail prices.

This government supports the concept that there should be competition in supply of electricity to all customers in Victoria, including domestic and small business customers. It was a Labor government in Victoria that agreed with other Australian governments the first steps that led to creation in 1998 of a competitive national electricity market in Australia. Thus the bill proceeds on the basis that when there is effective competition between electricity retailers, retail prices will be set by that competition. In those circumstances, and as customers will no longer be required to buy their electricity from one of the present five monopoly electricity retailers, the rationale for retail price regulation falls away.

However, the government is concerned that the protection afforded by the competitive market may not be adequate for the last group of franchise customers including domestic and small business customers, particularly in the initial stages of the market's development.

There are two reasons for this concern:

1. the technical systems required to facilitate retail competition for that group of customers may not be fully implemented by 1 January 2001, so that, although legally entitled to choose between retailers from that date, it may not be possible in practice for the customers to do so; and

2. it is likely to take some time for those customers to become adequately informed about the choices available to them and how those choices can be exercised.

As a result of these concerns, the government wishes to ensure that it has the necessary reserve power to regulate retail prices payable by this last group of franchise customers, or, possibly, a subset of those customers, as a transitional measure until a competitive retail market is adequately developed. Whether the power is exercised will depend on the extent to which the government is satisfied with the retail prices offered by the incumbent retailers to apply on and after 1 January 2001.

It is the government's view that the power should only be exercised if a de facto monopoly exists and that the party holding that de facto monopoly has or appears to have set retail prices that result in it obtaining a monopoly rent.

It is not the intention that the government will try to second-guess a competitive market. Nor is it the intention that the reserve power will be used to prevent or inhibit the development of competition. For that reason, the government is not seeking to regulate retail electricity prices where competition has developed or might reasonably be expected to develop.

The government wishes to encourage competition in supply and sale of electricity at retail where that competition delivers benefits to consumers through efficient prices and the long-term provision of sustainable, high quality infrastructure.

As was noted earlier in this speech, Labor played an important role in initiating the process that led to the creation of the national electricity market. In May 1997, Victoria and New South Wales harmonised their formerly separate wholesale electricity markets. In December 1998, the national electricity market commenced. However, Victorian small business and domestic customers continue to pay higher prices than similar customers in New South Wales. Domestic customers in Victoria are paying approximately 22 per cent more per kilowatt hour than domestic customers in New South Wales pay. And small business customers are paying approximately 37 per cent more per kilowatt hour than their equivalents in New South Wales. This is a result of the order under section 158A — and associated contractual arrangements — put in place by the previous government. That regime meant that gains from the competitive wholesale electricity market were not all passed through to small customers in their retail prices as they should have been.

In the market for larger customers, where competition has been possible for some time now, electricity prices in New South Wales and Victoria have for the most part moved down. In a fully competitive electricity market this is to be expected, and any material differentials in electricity prices between similar classes of customer located in Victoria or New South Wales would need to be explained. The national electricity market thus provides — or has the potential to provide — clear benchmarks for retail costs, wholesale electricity costs and retail margins.

The government believes that there is adequate information available to determine whether a de facto

monopoly for specific customer groups exists and whether retailers are charging a monopoly rent.

As was noted before, to address the concern about monopoly rents, the bill provides for a new reserve power whereby an order in council can be made regulating retail prices for domestic and small business customers. Before or after making such an order, the government can refer retail pricing matters to the Office of the Regulator-General under the existing part 4 of the Office of the Regulator-General Act 1994. The bill also provides for the government to refer retail pricing to the office for a more limited inquiry — to be known as a special reference — pursuant to a new part 4A of the Office of the Regulator-General Act. The special reference is designed to ensure that the office is able to undertake an inquiry without undertaking a full competition analysis that it would otherwise have to perform under part 4. A full competition analysis may not be the appropriate vehicle for a review of retail electricity prices.

One possible example of such a limited inquiry is the office advising the government whether proposed retail prices of a particular retailer for domestic customers are comparable to those prevailing for similar domestic customers in other states or with those set by other Victorian retailers for those customers, and if not, why not. Another example might be the office examining the costs and margins that go to make up a retailer's proposed retail price and reporting to the minister on those costs and margins as against benchmarks for comparable retailers in Victoria and elsewhere, giving, as it does so, its opinion on the reasonableness of those costs and margins. Or the inquiry might be as simple as investigating why a retailer is proposing increases in retail prices for domestic and small business customers.

It is important to note that retail electricity prices comprise the regulated network charges plus the wholesale energy charge and a retailing charge. This bill is not concerned with network charges. These charges are currently separately regulated and will continue to be so regulated post-1 January 2001. However, it is expected that savings from the current review of distribution prices by the Office of the Regulator-General will be passed on to consumers by electricity retailers after 1 January 2001. Similarly with savings from reductions in transmission prices when new transmission prices take effect from 31 December 2002.

If it proves necessary to make an order pursuant to the new reserve power, the bill allows for an order to be made regulating retail electricity prices in one or more geographic areas and for one or more classes of customer. In addition an order might be made limited to one retailer if it was only that retailer's prices that needed to be controlled. The bill also allows that orders may vest functions and powers in the Office of the Regulator-General to oversee retail price regulation for the customers who benefit from the orders.

The bill provides that the reserve power to make orders regulating retail electricity prices will lapse on 31 December 2003. Any unexpired orders will also lapse on that date. In the lead-up to that date it is the government's intention that the Office of the Regulator-General will be given a reference to review the way in which competition is impacting on Victorian domestic and small business customers and to advise the government on whether there is a need to extend the capacity for retail price regulation beyond 2003.

The bill also contains provisions in respect of the terms and conditions for supply and sale of electricity to domestic and small business customers as from 1 January 2001. The previous government made no legislative provision for any regulation of those terms and conditions after 31 December 2000. Domestic and small business customers should have the benefit of essential consumer protections. To that end, the bill contains provisions requiring that all contracts with those customers include terms and conditions covering at least the following:

1. disconnection of electricity supply;
2. customer rights and entitlements;
3. access to customer premises; and
4. confidentiality of customer information.

The bill further provides for a supplier-of-last-resort obligation so that no customer will be left in a position that it has no person from whom it can obtain electricity where a retailer ceases to be licensed or is otherwise unable to get electricity from the wholesale market. Additional provisions in the bill provide for deemed customer contracts up to 31 December 2003 and also for amendment of those contracts. These provisions are required as otherwise domestic and small business customers who were franchise customers on 31 December 2000 may be left without any supply contracts with their retailers.

There are also provisions in the bill dealing with customer service standards and compliance with those standards and with community service obligations. Presently customer service standards — for example, quality of supply standards — are set by the businesses themselves. The bill provides for the Office of the

Regulator-General to oversee those standards to ensure that customers are not disadvantaged by unduly lax standards set by the industry. The bill also gives the office the power to set customer service standards if disadvantage is established.

Also at present certain electricity retailers perform various community service obligations pursuant to agreements entered into with government. The government believes that the agreements for performance of these obligations should be put on a firm statutory footing and not left unreferenced in any act. The bill makes provision accordingly and also provides for the renewal of agreements, if necessary pursuant to a determination by the Office of the Regulator-General. Another matter the bill deals with is public lighting. Supply and sale of electricity for public lighting purposes also becomes subject to full competition on 1 January 2001.

The bill contains provisions which are needed in advance of the commencement on 1 January 2001 of competition for the group of customers that includes domestic and small business customers. These provisions are needed in order to facilitate the technical implementation of that competition and they include providing for identification of metering installations and for exchange and use of customer information.

The latter will only occur to the extent that it is needed to allow customers to exercise their right to change retailer. While it is expected that many of these matters will be dealt with at a national level through amendments to the National Electricity Code, in the interim it is necessary to make provision in Victoria for some of these matters to allow for the contingency that those code amendments are not in place by 1 January 2001.

In addition, the bill deals with a number of miscellaneous amendments, including statute law revision, to the Electricity Industry Act 1993 — and to acts amending that act — the Electricity Safety Act 1998 and the National Electricity (Victoria) Act 1997.

The amendments to the Electricity Safety Act 1998 include making provision for bushfire mitigation plans. Under the former State Electricity Commission of Victoria a bushfire mitigation manual was prepared and used. The bill provides for bushfire mitigation plans in lieu and provides for oversight by the independent Office of the Chief Electrical Inspector. As a corollary to that amendment, the bill also provides for distribution companies to inspect from time to time private overhead electric lines to ensure they meet the appropriate safety and other standards. The amendments to the Electricity Safety Act 1998 also clarify that for the purposes of electric line clearance, a 'tree' includes 'vegetation'.

Mr Steggall interjected.

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member for Swan Hill is not helping.

Mr BRUMBY — This is to ensure that there is no doubt that all vegetation must be kept the appropriate distance clear of powerlines.

Other amendments to the Electricity Safety Act 1998 — —

Mr Steggall interjected.

Mr BRUMBY — That is a very interesting issue.

The ACTING SPEAKER (Mr Plowman) — Order! I suggest to the honourable member for Swan Hill that he either stop interjecting or leave the chamber so the second-reading speech can be finished.

Mr BRUMBY — Other amendments to the Electricity Safety Act 1998 amend provisions dealing with what is meant by supply of electrical equipment and provisions dealing with licensed electrical workers, energy efficiency and electricity safety management schemes. Also the amendments validate certain regulations.

The amendments to what is meant by supply of electrical equipment are needed to make clear that both actual supply and offering to supply equipment is subject to the Electricity Safety Act 1998. The amendments to the energy efficiency provisions are intended to give the Office of the Chief Electrical Inspector greater flexibility to determine when energy efficiency labelling should be displayed and when not. Presently the act, by its express exclusion of second-hand electrical equipment, is preventing the office from insisting on labelling in circumstances when it is desirable that there should be such.

The amendments to the National Electricity (Victoria) Act 1997 clarify the Office of the Regulator-General's powers to act under that act and the National Electricity Code when, after 31 December 2000, it regulates under that code tariffs of Victorian electricity distributors.

Lastly, I should foreshadow that it is unlikely this will be the last legislation required to implement full retail competition on 1 January 2001 and beyond. The task of implementation is an extremely complex one which

involves industry, regulators and government not only in Victoria but also in other states and territories and nationally. Work on implementation involving all those groups is ongoing. It is thus likely that further amending legislation will be required. The previous government provided no relevant legislative framework at all to address the issues associated with competition for small and domestic business customers. This government, however, sees it as essential that such a framework be provided to ensure the effective implementation of that competition and to deliver on its commitments to Victoria.

Section 85 Constitution Act statement

Honourable members interjecting.

Mr BRUMBY — I am happy to give the house a detailed explanation of why this is necessary, but I am trying to save the house time.

I wish to make a statement pursuant to section 85 of the Constitution Act 1975 of the reasons why that section should be altered or varied by the bill.

Part 4 of the bill introduces a new part 4A into the Office of the Regulator-General Act 1994. In that new part 4A there is section 34D(7) which excludes civil proceedings for damage that may be suffered in respect of providing information or documents to an investigation conducted by the office under that part. The reason for limiting the jurisdiction of the Supreme Court with respect to section 34D(7) is to give persons who wish to make statements or provide information a degree of confidence that their statements or information can be made or provided without fear of litigation. This is likely to enhance the quality of the submissions and information made available to the office, and thus to contribute to the quality of its reports.

I commend the bill to the house.

Debate adjourned on motion of Mr STEGGALL (Swan Hill).

Debate adjourned until Thursday, 18 May.

VICTORIAN LAW REFORM COMMISSION BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

In 1992 the former government abolished the Law Reform Commission of Victoria. The commission provided Victoria with a transparent public law reform process. It was well known for the quality of its reports on topics ranging from bail to enduring powers of attorney and from the law of rape to road traffic regulations. The commission consulted widely on its references and in turn garnered community recognition and acceptance.

It also earned itself a reputation for its pioneering work and considerable expertise in plain English as a drafting style not only for legislation but also for private legal documents. The work of the commission led to many significant reforms in the law.

This government is strongly committed to the establishment of a law reform commission with a charter to facilitate community-wide debate of law reform issues and to assist members of Parliament in identifying key areas of law reform. The aim is to place Victoria at the cutting edge in law reform across Australia.

There are a range of other sources of advice and ideas for law reform. In addition to law reform commissions other arrangements are often relied upon by government:

- subject-specific specialist advice bodies;
- special-purpose committees, boards of inquiry and royal commissions;
- government departments;
- parliamentary committees;
- standing bodies such as the Australian Institute of Criminology; and
- consultants.

It is the government's intention that the Law Reform Commission established by this bill will provide a focal point for law reform in Victoria and symbolise the government's commitment to a strong program of law reform.

The Victorian Law Reform Commission will closely resemble the former Law Reform Commission of Victoria in its structure, powers and functions. There are many law reform commissions operating in other common-law jurisdictions from which a model may be selected. Although there are any number of ways to construct and operate a law reform commission it is proposed to base the Victorian Law Reform

Commission on the model of the old commission with some minor variations. The old commission operated highly effectively prior to its abolition and was seen to be a leading edge organisation.

The re-established law reform commission will be:

independent of government to enhance the integrity of the advice provided;

permanent in nature to bring a medium-to-long-term perspective to various issues and policies referred to it;

full time in its operation to provide the intellectual energy, commitment, consistency and time for contemplation, consultation and empirical study which are necessary to design and complete major research projects; and

authoritative in the provision of its advice.

Functions and powers of the commission

Part 2 of the bill deals with the establishment, functions and powers of the commission. The functions of the commission are to:

examine, report and make recommendations to the Attorney-General in respect of any proposal or matter relating to law reform in Victoria referred to the commission by the Attorney-General;

examine, report and make recommendations to the Attorney-General on any matter which the commission considers raises relatively minor legal issues which are of general community concern if the commission is satisfied that the examination of that matter will not require a significant deployment of the resources available to the commission;

suggest to the Attorney-General that a proposal or matter relating to law reform in Victoria be referred to the commission by the Attorney-General;

monitor and coordinate law reform activity in Victoria; and

undertake educational programs on areas of the law which are the subject of a reference.

The bill empowers the Attorney-General to grant references to the commission as well as give directions to the commission as to the priority which it is to accord to each reference and the time within which it is to report. The Attorney-General will also be empowered to seek interim reports from the commission.

As Attorney-General, I will be looking to the commission and the general community for suggestions and guidance on what matters should be referred for inquiry by the commission.

Structure of the commission

Part 3 of the bill deals with the constitution and procedure of the commission. The commission will consist of a chairperson who will be a full-time member and as many full-time and part-time members as the Governor in Council considers necessary from time to time to enable the commission to perform its functions. The Governor in Council will appoint all members. Each member will be appointed for up to four years and is eligible for reappointment.

The bill does not set out qualifications necessary for appointment to the commission. This is deliberate. This will allow a great deal of flexibility in making appointments to the commission. Judges, academics and practising lawyers have much to contribute to law reform. However, they should not be the only persons eligible for appointment to a body dealing with major law reform. Much of the information which must be gathered and considered requires the expertise and insights of other disciplines if it is to be properly evaluated.

It is proposed that further flexibility be obtained by allowing the chairperson to appoint consultants to assist the commission with advice and criticism on matters under consideration. This will ensure that the commission has available to it the widest possible sources of information. It will also lead to a consensus approach to law reform with representatives of interested industries, employees and other groups invited to discuss all major initiatives from an early stage in their development until final decisions are reached.

The chief executive officer of the commission may appoint enough employees as is considered necessary for the purposes of the act. All such appointments will of course be subject to the commission's budget.

Finance and reports

Part 4 of the bill deals with finance and reports. The commission will be funded from two sources —

an annual sum from the Law Reform and Research Account already established under the Legal Practice Act 1996; and

an annual sum from consolidated revenue.

Clause 18 of the bill provides for a control on expenditure of the commission. This clause provides that money given to the commission must only be spent by it in defraying expenses incurred by it in performing its functions, including paying any remuneration, salaries or allowance payable to members, staff or consultants. The commission must prepare an annual report each year and is subject to part 7 of the Financial Management Act 1994. To further ensure fiscal responsibility and accountability to Parliament the bill provides in clause 20 that the commission must comply with any information requirement lawfully made of it by a house of the Parliament or a parliamentary committee. Information requirement means a requirement to give information of a specified kind within a specified period relating to —

the performance by the commission of its functions; or

the exercise by the commission of its powers; or

the commission's expenditure or proposed expenditure.

Finally there are also several financial controls on the commission set out in clause 6 of the bill. For example, the commission cannot acquire any property, right or privilege for consideration of more than $250 000 without the approval of the Attorney-General.

The bill provides that the commission may from time to time, and must if required by the Attorney-General under section 5(2)(c), make an interim report on a reference. It also provides that the commission must prepare a final report at the end of its work under a reference. A copy of each interim and final report must be submitted to the Attorney-General. The Attorney-General must table each report before each house of the Parliament within 14 sitting days of that house after he or she receives the report. The commission must make all its reports available to the public whether or not a charge is imposed.

I am committed to openness in government and restoring democracy in this state. I do not want to keep the process of law reform behind closed doors. I want open and robust debate within the community on law reform. The establishment of the commission is a step in the right direction.

I commend the bill to the house.

Debate adjourned on motion of Dr DEAN (Berwick).

Debate adjourned until Thursday, 18 May.

CHILDREN AND YOUNG PERSONS (APPOINTMENT OF PRESIDENT) BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

The Children and Young Persons (Appointment of President) Bill elevates the status and authority of the long-neglected Children's Court and by doing so advances the government's commitment to promoting the position of young people in the Victorian community.

The bill creates the office of President of the Children's Court and establishes the Children's Court as a new court which is separate from the Magistrates Court.

The creation of the office of President of the Children's Court:

reflects the importance, increasing specialisation and authority of the Children's Court; and

will allow the Children's Court to develop its specialist responsibilities autonomously. The president will be able to promote the adoption of a consistent philosophy and set standards for the consistent treatment of young people in courts across the state. This advances the government policy of growing the whole of the state of Victoria and providing increased services to rural and regional Victoria.

The establishment of the Children's Court as a freestanding, separately recognised court also underlines its increased importance and specialisation. This change clearly demonstrates the government's recognition of the important role played by the Children's Court in our judicial system in providing a specialised court catering for children and young people in both the criminal and family jurisdictions.

The president will be a County Court judge appointed as president for a fixed term of five years by the Governor in Council. The appointment of the president of the new Children's Court will be on the recommendation of the Attorney-General after consultation with the Chief Judge of the County Court. The president will hold office in accordance with any terms and conditions specified in his or her instrument of appointment.

The bill provides for the appointment of an acting president who is a magistrate during any period when the office of president is vacant or the president is on

leave or for any reason is temporarily unable to perform the duties of the president.

Appeals from decisions of the president

Appeals in Children's Court cases — except where a question of law is involved — lie to the County Court. Appeals on questions of law lie to the Supreme Court.

County Court appeals proceed as de novo hearings and the decision of the judge in the case is in most instances final. The issue arises as to how to deal with potential appeals from decisions of the president, because clearly it would be inappropriate for decisions of a County Court judge to be reviewed by the County Court.

The bill proposes that appeals from matters heard at first instance by the president will be heard in the trial division of the Supreme Court on both issues of fact and law and that such decisions will be final. Appeals from past decisions of the Children's Court Senior Magistrate will continue to be heard in the same way that they were heard prior to the passage of this bill. The bill does not otherwise propose any alterations to the appeal path in relation to decisions of Children's Court magistrates.

Section 85 statement

It is intended that the new section 13B inserted by clause 8 of the bill will alter or vary section 85 of the Constitution Act 1975 to the extent necessary to provide the president in the performance of his or her duties as president with the same protection and immunity as a judge of the Supreme Court has in the performance of his or her duties as a judge.

This gives the president the same immunities that the County Court Act 1958 confers on judges of the County Court and the Children and Young Persons Act 1989 confers on Children's Court magistrates. As a matter of public policy, it is appropriate for the legislature to confer such protections on the holders of judicial office and important that those protections be consistent.

Clauses 11 and 12 amend sections 116, 197 and 198 of the Children and Young Persons Act 1989 to ensure that appeals from decisions of the president lie to the Supreme Court, rather than to the County Court. It is the intention of sections 116, 197 and 198, as amended by this bill, to alter or vary section 85 of the Constitution Act.

The bill replicates the current system whereby the decision of the court hearing the appeal is final, and in most cases no further appeal rights lie. This is appropriate, for such appeals proceed as de novo hearings, where the appellant can in effect have a full second hearing of his or her case. It is desirable that a consistent appeal stream be adopted for appeals from decisions of the president.

Clause 17 amends sections 20 and 21 of the Crimes (Family Violence) Act 1987 to make similar amendments in respect of appeals from decisions of the president made under that act. It is the intention of sections 20 and 21, as amended by this bill, to alter or vary section 85 of the Constitution Act.

Again, the bill replicates the current process for appeals in family violence cases, except that the appellate court will be the Supreme Court. These appeals are also de novo hearings, and it is again appropriate that no further appeal rights lie.

Conclusion

Increasing the status and authority of the Children's Court demonstrates the government's commitment to ensuring that children who appear before the court, either by reason of offending or because of their vulnerable family situation, receive justice and compassion. These reforms recognise the need to treat young persons consistently with the notions of equity and social justice which are the foundations of our justice system.

I commend the bill to the house.

Debate adjourned on motion of Dr DEAN (Berwick).

Debate adjourned until Thursday, 18 May.

DAIRY BILL

Second reading

Mr HAMILTON (Minister for Agriculture) — I move:

That this bill be now read a second time.

When this government came into power, we committed to reviewing the previous government's decision to deregulate the Victorian dairy industry. We wanted to know the impact of deregulation on the future viability of the dairy industry. We also needed to consider the impact of deregulation on regional communities and jobs in Victoria and the national impact of deregulation. And we wanted a guarantee that Victorian dairy farmers would have access to the national package.

The government therefore committed to giving every Victorian dairy farmer the opportunity to tell us his or her view.

They were asked whether they should accept the $1.7 billion dairy industry adjustment package proposed by the commonwealth government and agree to the repeal of Victorian legislation controlling the farm-gate price and supply of milk.

Of the 9262 dairy farmers enrolled to vote, a surprising 84 per cent took the opportunity to tell us what they thought. Some 89 per cent of these Victorian dairy farmers agreed that Victoria should deregulate its market milk arrangements, provided the dairy industry adjustment package was available.

As a result of this exercise in agricultural democracy, the Victorian government agreed to proceed with the deregulation of the price and supply of market milk. The commonwealth government has already established its legislation to facilitate the $1.7 billion dairy industry adjustment package. Furthermore, all state governments are in the process of amending their dairy legislation to deregulate market milk in their states.

The United Dairyfarmers of Victoria and key manufacturers and processors have welcomed this national move toward deregulation. They saw the sunsetting of the commonwealth government's domestic market support scheme on 30 June 2000 as an opportunity to create a single market for Australian milk by removing the plethora of state-based marketing arrangements which limited the opportunities for Victorian milk to be traded interstate.

The Victorian government is proposing a package of reforms in this Dairy Bill to allow the Victorian dairy industry to continue to grow and compete on world markets. This bill is part of reforms occurring across Australia which will result in orderly, managed deregulation. As a result of this bill:

Victorian dairy farmers, manufacturers and processors will be able to compete in a single national milk market;

Victorian dairy farmers will have an additional $740 million over eight years from the dairy industry adjustment package to make meaningful decisions about their future — perhaps to improve their business or decide to retire or create another business;

a new dairy food safety authority will be established which will be focused solely on providing the appropriate services, at lowest cost, to maintain the industry's excellent reputation in food safety;

significant funds will be allocated by industry to worthwhile projects that will benefit the industry and its communities.

I now turn to the main provisions of the bill, which will:

repeal the Dairy Industry Act 1992;

provide for a new dairy food safety authority to replace the Victorian Dairy Industry Authority; and

transfer residual VDIA assets to the Victorian dairy industry.

A key element of the bill is the deregulation of price and supply controls on Victorian market milk. As a first step, certain powers and functions of the VDIA related to controls on market milk will be repealed. It is proposed that, with the other states, this will occur on 30 June 2000.

The VDIA will continue for a short period after this date in order to wind up pools and make final payments for milk received, facilitate the establishment of a new dairy food safety authority and facilitate the transfer of the residual assets of the VDIA to a company established to invest the assets for the benefit of the Victorian dairy industry and its communities.

This transition period will also allow the VDIA to manage its wind-up in a professional and orderly manner. May I say at this point, that the board, management and staff of the VDIA have done a magnificent job under trying circumstances to manage their operations to ensure a smooth transition to deregulation.

The Victorian dairy industry, through the VDIA, has worked hard to develop and maintain an excellent reputation for safe food. A government-industry dairy food safety working group has provided the government with a detailed report on proposed new arrangements for dairy food safety. This bill implements the working group's recommendations.

The bill establishes Dairy Food Safety Victoria, a statutory authority responsible to the Minister for Agriculture which will take over the VDIA's dairy food safety functions. The new authority will focus on ensuring the safety of dairy food products for consumers. This will maintain a strong confidence in the safety of Victoria's dairy produce, guaranteeing farmers ongoing markets.

The legislation will continue to rely on powers under the Victorian Food Act in relation to emergencies and recall of unsafe product.

The bill has been drafted to be consistent with the Victorian Food Act and, as far as is possible, with the principles of the proposed national model Food Act. This includes the use of food safety programs, preventative methods of food safety management and audit arrangements which are determined by the authority but which can be either conducted by the authority or by approved third party auditors. The authority will continue to have a memorandum of understanding with the Department of Human Services to ensure a coordinated approach to the implementation of the government's food safety responsibilities.

The bill also addresses national consistency for the dairy industry through the inclusion of ice cream as a dairy food and through the use of codes of practice. This provides the necessary framework for existing national dairy industry standards to be adopted, simplifying compliance requirements across Australia and facilitating exports.

The board of the authority will be a skills-based board of seven persons. The Minister for Agriculture will appoint the chairperson and an officer of the Department of Natural Resources and Environment. The other five members will be appointed after consideration of the recommendations of a selection committee consisting of three people appointed by the minister based on the nominations of the organisations which he believes best represent farmers, processors and manufacturers. In the first instance, this will be the United Dairyfarmers of Victoria, the Milk Processors Association of Victoria and the Victorian Dairy Products Association.

The industry currently fully funds the food safety services provided by the Victorian Dairy Industry Authority through a market milk levy. The government-industry working group I referred to earlier, which included dairy farmers, processors and manufacturers, recommended that the same sectors of the industry continue to be licensed for the purpose of food safety and that the proposed new Victorian dairy food safety authority be funded through licence fees and fees for service.

While the production of safe milk and dairy products is paramount, cost-efficient service provision is an important issue. The industry should pay no more per litre of milk for its food safety services after deregulation than it currently pays. With the removal of the market milk levy, licence fees will need to increase, particularly to post-farm-gate businesses which have been paying, up to now, very low licence fees.

The government will ensure that dairy farmer licence fees do not increase in the next licence period from December 2000. The government-industry working group adopted the principle that businesses should contribute to the costs of food safety services in proportion to the benefits they receive. The government endorses this general approach. The working group noted that 'the level of revenue raised in total from current farm licence fees is realistic in relation to the criteria of benefits received' by farmers.

To ensure a smooth transition to the new arrangements, the Victorian government has agreed to transfer from the VDIA assets $1.8 million to establish Dairy Food Safety Victoria and to allow the new authority to conduct its functions while increasing licence fees and fees for service over two years to replace the revenue from the market milk levy.

It will be up to the board of the new dairy food safety authority to determine the most appropriate mix of licence fees and fees for service within and between the pre and post-farm-gate sectors. The proposed new arrangements for funding of dairy food safety services will provide more transparency and accountability in charging for services.

The bill enables the government to transfer all the remaining assets and liabilities of the VDIA, following the establishment of Dairy Food Safety Victoria, to a new industry-owned company limited by guarantee which will use the residual assets for the benefit of the Victorian dairy industry and dairy communities.

The majority of the assets, consisting of the proceeds from the sale of the VDIA brands — Big M, Rev, Skinny Milk and Farm House Milk — will be used to invest in industry development activities in order to maximise benefits to all sectors of the Victorian dairy industry.

The specific objects to be included in the company's constitution will be consistent with those proposed by an industry-government dairy industry services working group chaired by the United Dairyfarmers of Victoria. These are:

(i) the gathering, analysis and dissemination of appropriate dairy industry information;

(ii) appropriate research, development and technology transfer activities;

(iii) education and training activities where benefits will accrue to the whole Victorian dairy industry as well as the individual;

(iv) management of intellectual property generated from funding activities; and

(v) transitional activities associated with the winding up of the VDIA including management of any VDIA contracts transferred to the company as a result of the winding up of the VDIA.

In addition to these functions, $3 million of the VDIA's residual assets will be used over three years for the purpose of assisting dairy communities adjust to the impact of deregulation of the dairy industry. These funds may be put to such activities as dairy farm family support activities, community change management programs and regional economic development projects.

The company will be independent of government, but changes to principal elements of its constitution will require the approval of the Minister for Agriculture. The government does not intend to have an involvement in the day-to-day decisions of the entity. However, the company's annual report will be tabled in Parliament.

It is intended that these funds will become a major source of assistance for the dairy industry and the communities that rely on the dairy industry in adjusting to a deregulated environment in the short and longer terms.

Although deregulation of market milk arrangements will present many challenges to the dairy industry, the changes outlined in this bill will ensure the Victorian dairy industry maintains its competitive advantage and can continue to grow and prosper.

I commend the bill to the house.

Debate adjourned on motion of Mr STEGGALL (Swan Hill).

Debate adjourned until Thursday, 18 May.

ARTS LEGISLATION (AMENDMENT) BILL

Second reading

Ms DELAHUNTY (Minister for the Arts) — I move:

That this bill be now read a second time.

The bill will amend both the Victorian Arts Centre Act and the National Gallery of Victoria Act to give to the council of trustees of the National Gallery of Victoria responsibility for the care, improvement and maintenance of the National Gallery building.

To enable this the bill will revoke the Crown grant over the land on which the National Gallery and part of the Victorian Arts Centre are situated and will give the trust and council control and management over the land they each occupy.

Consequently this will remedy the current situation whereby multimillion-dollar improvements to the National Gallery appear in the annual financial statements of the Victorian Arts Centre Trust — a change supported by the Auditor-General's office.

The bill will also update the powers and functions and improve the operation of the trust and the council. It will empower the council to enter into Crown land lease or licensing arrangements to give effect to this new responsibility.

Additionally the bill will remove redundant functions of the trust such as the completion of construction of the centre, and the trust's functions will be expanded to contribute to the enrichment of the cultural life and cultural heritage of the people of Victoria and provide a leadership role in the promotion and development of the performing arts.

Consistent with the powers of other statutory arts bodies, the bill will remove the requirement that the trust obtain the minister's consent to enter agreements for the provision of services or hire of plant and equipment and the granting of a lease or licence or other commercial arrangements, update the powers and functions and improve the operation of the trust and the council.

Consistent with the government's policy that Victoria's visual arts collections should be innovative, accessible and protected as public assets, the bill provides for the trust's Performing Arts Museum collection to be established as a state collection within the Victorian Arts Centre Act.

I commend the bill to the house.

Debate adjourned on motion of Mrs ELLIOTT (Mooroolbark).

Debate adjourned until Thursday, 18 May.

LAND (REVOCATION OF RESERVATIONS) BILL

Second reading

Ms GARBUTT (Minister for Environment and Conservation) — I move:

That this bill be now read a second time.

The bill provides for the revocation of permanent reservations of land described in the schedules to the bill. The bill removes these reservations either to facilitate disposal or because the purpose of the reservation is no longer appropriate for the future use of the land. I turn now to the particulars of the bill.

Clause 3 of the bill deals with a 12.8 hectare racecourse and public recreation reserve on the Boort–Kerang Road in Boort. Approximately 3.5 hectares of the land comprises a racecourse, showgrounds and recreation facilities, with the remainder of the land used for cropping. The majority of the racecourse is located on adjoining freehold land that is owned by the Boort Park Trust.

The Shire of Loddon will transfer the ownership of the land currently used for the racecourse, showgrounds and recreation facilities to the Boort Park Trust. Council plans to use the remainder of the site for experimental horticultural activities.

Clause 4 of the bill deals with approximately 7.8 hectares of land reserved for hospital purposes in Playford Street, Stawell. The land makes up a substantial proportion of the former Pleasant Creek training centre for the disabled. The Department of Human Services has relocated the residents into community-based housing and decommissioned the site. The land does not possess any public land values that warrant its retention in the Crown estate.

Clause 5 deals with a site of a public hall and free library reserve located on the corner of Smith and Williams Streets in Lorne. The public hall had fallen into disrepair and was demolished in the early 1980s. Since that time the site has been partially occupied by the State Emergency Service.

The land, together with adjoining freehold land, is the site for a new Lorne emergency services complex comprising police station, SES, Country Fire Authority and ambulance service.

Clause 6 deals with a small part of a public park reserve at Albert Park, located to the east of the former St Kilda railway station. The long, narrow piece of land is required to allow the relocation of Balluk William Court in order to provide access to the proposed commercial and residential development on adjoining land and also to maintain access to housing owned by the Office of Housing.

The subject land is currently occupied by the St Kilda Sports Club under a permissive occupancy agreement and forms part of the St Kilda Bowling Club. The proposed relocation of Balluk William Court will not disturb sporting activities currently undertaken by the bowling club. A heritage assessment of the St Kilda Sports Club site has indicated that the site is of national significance, but the proposed road does not affect the heritage status of the site.

Funds have been made available to acquire land to be added to Albert Park to ensure there is no net loss of public parkland. The land falls within the definition of Albert Park as described in the Australian Grands Prix Act 1994. Therefore, the bill provides for a consequential amendment to that act to remove the land from the definition of Albert Park.

Clause 8 deals with the Borough Chambers Reserve in Clunes. The land contains the former town hall and police residence. The site is currently being used and developed by Wesley College as a residential village for students. Revocation of the Crown grant is required to allow formal arrangements to be put in place for Wesley College to continue to occupy the site. The town hall will continue to be available for community use.

I commend the bill to the house.

Debate adjourned on motion of Mr PERTON (Doncaster).

Debate adjourned until Thursday, 18 May.

NATIONAL PARKS (AMENDMENT) BILL

Second reading

Ms GARBUTT (Minister for Environment and Conservation) — I move:

That this bill be now read a second time.

I am delighted to be able to introduce the first bill of this government to amend the National Parks Act 1975 to implement several of its key policy commitments in relation to national parks, in particular the Alpine National Park. The bill reinforces the government's commitment to protecting and enhancing Victoria's outstanding parks system, which plays a key role in the

conservation of the state's rich natural heritage and biodiversity. It also reflects the government's commitment to the commonwealth Native Title Act.

In summary, the key elements of the bill are:

to add 285 hectares on the slopes of Mount McKay and the northern shore of Rocky Valley storage, and the Wongungarra area, to the Alpine National Park — two key policy commitments;

to add over 100 hectares of former freehold land to Organ Pipes and Yarra Ranges national parks, Kamarooka State Park and Gippsland Lakes Coastal Park; and

to empower the National Parks Advisory Council to advise on proposed park excisions.

Additions to the Alpine National Park

The Alpine National Park is Victoria's largest national park and one of its most significant. The addition of the two areas mentioned above, which total over 13 000 hectares, will enhance the conservation significance of the park.

Mount McKay–Rocky Valley addition

This addition covers 285 hectares and extends from the west of Mount McKay to the northern shore of Rocky Valley storage. It includes some of the undeveloped slopes of Mount McKay, a significant area of undisturbed alpine bog community and significant landscape and recreation values.

The area was recommended for inclusion in the Alpine National Park by the former Land Conservation Council in 1983 after an extensive public consultation process, and legislation to effect this was passed in 1989. However, in 1997, without any prior public consultation or proper explanation, a bill was introduced into Parliament to excise the area from the park and include it in Falls Creek Alpine Resort. The current bill will restore the area's rightful national park status.

Later in this speech I shall outline the government's approach to park excisions and refer to additional measures which aim to ensure that such an excision never happens again.

Wongungarra addition

The Upper Wongungarra addition is an essentially undisturbed, remote and deeply dissected valley located south of the Great Dividing Range south-west of Mount Hotham. The addition covers nearly 13 000 hectares and comprises areas which are recognised as part of the reserve system in the north-east and Gippsland regional forest agreements. It includes high quality stands of old growth forest, important flora and fauna habitat, and the nationally endangered spotted tree frog. The valley also has high landscape values, being visible from the higher ridges of the surrounding park.

The bill provides for deer hunting by stalking to occur in the area, recognising that this activity is permitted in contiguous areas of the surrounding park.

Other park additions

Several areas of former freehold land will be added to four parks, as follows:

Organ Pipes National Park — the addition of 13 hectares of land along Jackson Creek, which has been generously donated to the Crown by the City of Brimbank, will consolidate the 1997 park additions in the eastern section of the park. In addition to the City of Brimbank's generous donation, I would like also to acknowledge the extensive revegetation and other work which the Friends of Organ Pipes National Park have carried out on this land.

Yarra Ranges National Park — the addition of four small inlying areas in the Armstrong Creek and Upper Yarra catchments will increase the protection afforded to those water supply catchments. The bill includes these additions in the designated water supply catchment area of the park.

Kamarooka State Park — the addition of 94 hectares, which were purchased with the generous assistance of the City of Greater Bendigo, will further enhance the value of this significant park on the edge of the northern plains.

Gippsland Lakes Coastal Park — the addition of 16 hectares on the Boole Poole Peninsula will add a further area of purchased land to this part of the park.

Excisions

As previously stated, the bill provides for the inclusion in the Alpine National Park of an area of 285 hectares that was excised in 1997. The government's policy is to prevent such excisions from parks and my government, when in opposition, strongly opposed the excision of the 285 hectares from the Alpine National Park.

This excision by the former government was a significant attack on the integrity of the National Parks Act. It struck at one of the fundamental principles of national parks — that they should, in the words of the

preamble to the act, be reserved and preserved and protected permanently'. Furthermore, the proposal was developed without any public consultation, and the second reading speech for the Alpine Resorts (Management) Bill did not even mention that the bill provided for land to be excised from a national park.

I now wish to state this government's position on excisions from parks under the National Parks Act and set the approach that my government will follow when dealing with any proposed park excision. It does recognise that from time to time there may be justifiable reasons for excising small areas from parks. For example, previous excisions have included small, modified sites containing government houses on park boundaries; areas in connection with the realignment of major roads through part of a park; and the correction of small errors on park plans.

The government is therefore committed to:

dealing with any proposed park excision openly and through a proper process; and

limiting excisions to those that can be clearly justified as minor and as having minimal impact on the park.

To ensure that any proposed excision is properly considered, the minister responsible for the National Parks Act will:

seek the advice of the National Parks Advisory Council on any proposed excision;

table that advice in Parliament; and

include a proper justification for any proposed excision in the second-reading speech for the relevant bill.

This bill assists in implementing those commitments by providing for the National Parks Advisory Council to advise on any proposed excision which the minister may refer to it and for the tabling of the council's advice in Parliament.

Conclusion

The bill will enhance the state's outstanding parks system by adding several significant areas, particularly to the Alpine National Park. It also provides a role for the National Parks Advisory Council in relation to proposed park excisions so that there is greater transparency in dealing with such matters in the future.

I commend the bill to the house.

Debate adjourned on motion of Mr PERTON (Doncaster).

Debate adjourned until Thursday, 18 May.

EMERGENCY MANAGEMENT (AMENDMENT) BILL

Second reading

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That this bill be now read a second time.

This bill implements an election policy commitment made by the Bracks government to establish, within the Department of Justice, an Emergency Services Commissioner who shall establish and monitor performance standards for our emergency services.

The Emergency Services Commissioner will also oversee more effective utilisation of the common resources of the Metropolitan Fire and Emergency Services Board, the Country Fire Authority and the State Emergency Services of Victoria.

The proposed role of the new commissioner will be to:

advise, make recommendations and report to the minister on matters relating to emergency management;

establish and monitor performance standards for the emergency services organisations;

encourage cooperation and the effective utilisation of resources;

act as the executive officer of the Victoria Emergency Management Council; and

carry out any other function given to the commissioner.

While Victoria undoubtedly had three fine firefighting organisations in the Metropolitan Fire Brigade, the Country Fire Authority and the Department of Natural Resources and Environment there was an opportunity for improvement through greater cooperation and coordination which could be advanced through the Emergency Services Commissioner. In particular an emphasis on the utilisation of common resources such as training, finance and administrative services and systems as well as buildings and equipment could lead to improved and more effective services for all Victorians.

The commissioner will develop and publish standard models of fire cover in the state of Victoria so that areas of similar risk and hazard profiles will operate to a similar standard of fire cover.

The commissioner will also provide emergency management leadership as the executive officer of the Victoria Emergency Management Council.

The bill provides the necessary powers for the commissioner to seek and obtain information to set, monitor and report on service standards and to promote cooperation in service delivery and resource sharing.

I expect the new Emergency Services Commissioner to be a key ingredient in the development of a more integrated, cooperative and successful emergency management system for Victoria.

I commend the bill to the house.

Debate adjourned on motion of Mr LEIGH (Mordialloc).

Debate adjourned until Thursday, 18 May.

CONTROL OF WEAPONS (AMENDMENT) BILL

Second reading

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That this bill be now read a second time:

As one of its election commitments, the government promised to toughen Victoria's weapons laws to combat an increase in the number and use of weapons within the community.

By amending the Control of Weapons Act 1990 this bill will give effect to that commitment by renaming the most dangerous category of weapons as 'prohibited weapons'. This will avoid confusion in relation to such weapons as flick-knives and knuckledusters, and better reflect their purpose, which is a principally offensive one. The bill will also more accurately describe the second category of weapons, by renaming them 'controlled weapons' rather than merely regulated weapons. The regulations will continue to prescribe weapons by category. Significantly, the bill will also:

- further restrict the sale, display and marketing of the most dangerous category of weapons;
- severely restrict the sale of weapons to those under 18 years of age;
- move the administration of body armour from the act to the regulations;
- provide for the levying of an administrative fee to cover the costs of processing exemptions and approvals; and
- extend the concept of prohibited persons from the Firearms Act 1996 into the Control of Weapons Act.

Additionally, the bill will also clarify the position in relation to the lawful excuse to otherwise possess controlled weapons. The proposed amendments will ensure that the context in which a weapon is discovered in public is relevant in determining whether an excuse is indeed lawful — for example, it will be deemed not to be a lawful excuse for a person to be found with a fishing knife outside a night club at 2.00 a.m.

The bill will transfer responsibility for the granting of exemptions for individuals to possess prohibited weapons from the Governor in Council to the Chief Commissioner of Police. These will be called approvals under the bill. This will bring non-firearms weapons into line with the regime for firearms. Exemptions for groups and classes of persons will remain the responsibility of the Governor in Council. This is important because it will ensure that the government retains control over weapons employed in the administration of the criminal law.

It is further proposed that the Control of Weapons Act adopt the category of prohibited persons used in the Firearms Act 1996. Prohibited persons include:

- persons serving a term or imprisonment for serious offences; or
- persons the subject of a domestic violence intervention order or a supervised community-based order.

Such people will not be eligible for either an exemption or approval under the act.

The bill creates a specific offence to sell a prohibited weapon to a person who has neither an exemption under the act nor an approval under the bill. The creation of this offence will reinforce the government's election policy commitment to restrict the availability of weapons in the community by ensuring tighter control over the sale of prohibited weapons.

The bill will also require all persons who sell a prohibited weapon to record certain details about each weapon sold. Any purchaser of a prohibited weapon will be required to prove their identity and their

entitlement to purchase the weapon. This requirement will assist Victoria Police in the enforcement of the regulatory regime for prohibited weapons.

As evidence of the government's commitment to reduce their use in criminal enterprises, the bill will increase penalties for offences involving prohibited weapons.

The bill also varies the procedure for the return of seized weapons. If not charged with an offence, a person must be informed of his or her right to have a weapon returned. Any person under 18 years of age seeking the return of a weapon must be accompanied by parent or guardian when they present themselves to police to collect it. If a person does not seek to have the weapon returned it will automatically be forfeited to the Crown.

I commend the bill to the house.

Debate adjourned on motion of Mr LEIGH (Mordialloc).

Debate adjourned until 18 May.

Remaining business postponed on motion of Mr HAERMEYER (Minister for Police and Emergency Services).

ADJOURNMENT

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That the house do now adjourn.

Medical Practitioners Board

Mr DOYLE (Malvern) — I direct to the attention of the Minister for Health his answer to a question without notice asked by the honourable member for Essendon regarding a breach of infection control procedures at the Royal Melbourne Hospital in which he said he would refer the matter to the Medical Practitioners Board for investigation to see whether any professional misconduct had been involved. I ask him to reconsider that course of action. In fact, for reasons I will make clear later, I ask him not to do that. I emphasise that that is not because the matter is not serious, because it is serious, as is any breach of infection control, particularly in surgery.

I raise with the minister whether it is appropriate or wise for the Minister for Health to refer a practitioner to the Medical Practitioners Board. After all, it is the Minister for Health who through the Governor in Council appoints the board, appoints the chairman of the board and determines the remuneration of the board. The minister also has responsibility for the act under which the board is constituted. I believe it is inappropriate for the Minister for Health to refer matters of professional misconduct of practitioners to the board.

I am not suggesting that the Medical Practitioners Board would in any way be swayed by the stature of the person who is referring the complaint. I know the members of the board well, and I have the highest respect for them individually and for the processes of the board. However, there is a possibility it may affect the processes of the board. For instance, imagine a situation in which a practitioner before the board complained that natural justice was not being served because procedural fairness principles dictated he could not be treated fairly if the minister were the complainant. Often these matters are about perceptions or impressions, particularly publicly, and it is for those reasons I ask the minister to think again before going down that path.

Should it be necessary perhaps a senior clinician, the hospital itself, the family of a patient or anybody connected with the medical profession could refer the matter to the board. I believe the profession itself should regulate this matter. It should be independent of the political process. Politicians should stay out of the regulation of such serious matters.

My suggestion is that because we need to make sure that an inappropriate impression is not given it would be appropriate for the hospital, senior clinicians, or other people to refer such matters to the Medical Practitioners Board, and that it would not be appropriate for the minister to do it. I ask the minister to reconsider the statement he made yesterday that he would refer the matter to the board.

Seymour Technical High School

Mr HARDMAN (Seymour) — I refer the Minister for Education to the policy of the previous Kennett government of selling off education department land that it regarded as surplus to requirements. Specifically I direct the minister's attention to the predicament of Seymour Technical High School.

In its typical arrogant and uncaring way the Kennett government advertised the sale of the land the school used for its agricultural programs. Teachers from the school were absolutely frustrated by the ideologically driven process of selling anything the Kennett government could get its hands on but were gagged by the government under teaching service order 140 and

were therefore unable to speak out at the time. The land was used to run rural industry programs for agriculture students.

It provided vocational education and training opportunities and a curriculum that allowed it to cater for students who may not be academically inclined. Such programs help schools to retain students by providing interesting subjects that encourage them to remain at school longer. Available information shows that the longer students stay at school the better are their long-term job prospects. Despite that the Kennett government still wanted money for the land and eventually agreed to sell it to the school for $75 000. That is a lot of money to a country high school with a large number of students who receive the education maintenance allowance. A school has to sell a lot of lamingtons to raise that sort of money — probably $150 000 worth.

The school had lost so much faith in the former government that it decided to set up a trust to buy the land to prevent that from again trying to sell it. Fortunately the process of the government selling land back to one of its own schools has not finished. There is a chance to address this situation and put right a terrible wrong. I ask the minister for an assurance that Seymour Technical High School will allowed to retain both the land, which will continue in its present worthwhile use, and the $75 000, which the school raised itself and wishes to use to improve access to other high-quality education programs for its students.

Wandong and Heathcote Junction: sewerage

Mr McARTHUR (Monbulk) — I refer the Minister for Environment and Conservation to a small-town sewerage scheme at Wandong and Heathcote Junction. The honourable member for Seymour should be well aware of it because he has had a crack at fixing the problem but has so far failed.

The scheme is one of the those that were in the process of being constructed or completed throughout the state until last November, when the minister put a freeze on them. This particular scheme is of concern because its construction has effectively been completed and all that remains to be decided is what fees are to be assessed, and if they are to be levied, how they will be paid.

Some people in the Wandong–Heathcote Junction area have already paid a fee of about $2500 per residence, some have paid part and others have paid nothing. The effect of the minister's freeze has left them wondering what will happen in the long term, particularly those who have paid all or part of the $2500. Those people wish to know whether if the scheme goes ahead and the minister decides eventually to abolish up-front fees they will receive refunds, or whether there will be two classes of people — those who have paid and will receive no refund and those who have not paid and will receive free access.

The minister should make a decision and advise the residents of Wandong and Heathcote Junction of it. The minister called for a review and has had the recommendations for some two months. The residents are demanding an answer about what will happen to the money they have already paid and when they will be connected to the scheme. They are entitled to an answer and should be treated even-handedly. If the minister is to provide free connection, people who have paid all or part of the fee should receive refunds. The residents of Wandong and Heathcote Junction should know what is happening with their sewerage scheme.

GST: employment

Ms OVERINGTON (Ballarat West) — I direct to the attention of the Minister for Manufacturing Industry the job losses that will occur in my electorate because of the impending implementation of the goods and services tax. A major Ballarat employer has announced the retrenchment of casual staff due to a manufacturing downturn caused by the impending introduction of the GST. Maxitrans Manufacturing has been forced to retrench casual staff from its Freighters Australia plant in Wendouree because buyers are deferring purchases until after the introduction of the GST.

Today's Ballarat *Courier* reports that 50 casual staff have been retrenched because of the anticipated effects of the GST. As the minister is aware, manufacturing is one of the key economic activities in my electorate. Ballarat's future depends on the continuing success of its manufacturing operations. For that reason I am concerned about the impact of the GST on Ballarat's economic prosperity.

Overall economic activity is important, and it is a key concern of the government, but also important is the impact of economic decision making on individual workers and their families. The retrenchment of Freighters Australia workers reveals the truth behind the GST — this unfair tax is bad for business and bad for employment.

The minister will also be aware of the adverse impact of the GST on small business. Small business in my electorate has been left for dead by the federal government's GST plan. The extraordinary cost of compliance, together with the complexity of the tax,

has created an absolute nightmare for small business in Ballarat and across Victoria.

The GST is having an adverse impact on business and employment across many industry sectors. I urge the minister to raise the matter with the federal government, where the responsibility rests for the implementation of this unfair and regressive tax system.

Schools: asbestos

Mr HONEYWOOD (Warrandyte) — I direct to the attention of the Minister for Education the ongoing asbestos fiasco in her department. There is a complete lack of guidelines and information about asbestos for staff of the 100 or more schools who have probably been using portable classrooms without realising the danger. They do not realise that if they put a thumbtack in a wall that is lined with asbestos or if in some way they disturb the internal arrangement and structure of the classroom, the health of staff and students could be put in danger.

The Minister for Post Compulsory Education, Training and Employment laughs about the situation. She is precious today, but she laughs about the health and safety of children in Victoria.

The government and the Minister for Education have a duty of care in this matter, but we are not aware of when the audits of the portable classrooms actually occurred. We do not know whether they were undertaken at the host schools before portables were shifted to the new recipient schools or whether audits were done at the Port Melbourne store yard on the 18 classrooms — which were never meant to be used again as classrooms — before they went to the recipient schools.

If the audits occurred beforehand, the minister stands twice condemned because disruption can be caused in the transportation of buildings — walls and ceilings can crack and internal structural rearrangements can occur — and when staff at the recipient school reassemble the portable and perhaps make some local alterations, asbestos particles could well be released and exposed to the air.

The minister has a duty of care and it is incumbent on her to inform the house and the school communities that have been left in the dark for so long as to when the audits actually occurred — at the point of delivery or when they were being discharged. Who conducted the audits? Were they done by brown-cardiganed public servants, or were the audits conducted objectively by an expert? Who did the audits? Will the minister now allow objective audits to be done, given that the potential for negligence will arise, particularly when the workmen have also not been informed?

I point out that the minister has had no funds allocated in the current budget for portable classrooms.

The ACTING SPEAKER (Mr Loney) — Order! I did not wish to interrupt the honourable member for Warrandyte while he was speaking. However, I remind all honourable members that the adjournment debate is an opportunity not to ask a series of questions but to seek action.

Kew Cottages

Mr STENSHOLT (Burwood) — My request for action is addressed to the Minister for Community Services. I ask the minister to investigate the current conditions at Kew Cottages and take the necessary action to ensure the best possible quality of life for the residents. The minister takes her duty of care seriously and is a fine Minister for Community Services. She is clearly a caring person who takes seriously her responsibilities in respect of people in need, such as the residents of Kew Cottages. It is a serious responsibility not to be taken lightly or laughed about. Kew Cottages are in the City of Boroondara not far from my electorate. The families and friends of the residents come from all over Victoria, including Burwood.

All Victorians were deeply shocked several years ago at the appalling and heart-rending loss of life that resulted from a fire at Kew Cottages. I am sure honourable members would have welcomed many of the recommendations made to improve conditions for residents subsequent to that tragedy.

The lives of many Victorians are touched by disabilities, either directly or indirectly. Many changes have occurred in the views held in society about the best form of care and lifestyle for disabled people. Over recent years there has been a strong move towards housing such people in small community residential units. However, many people have remained in long-term residential care at Kew Cottages.

The cottages have enjoyed the long involvement and commitment of families of residents. The long-term future of Kew Cottages is under consideration, and I would appreciate the minister's checking and advising the house of current progress. It is important to both the residents and their families. The appropriate care and welfare of the current residents should be the paramount consideration. I would appreciate the minister taking action to ensure that the current and continuing care provided to those people is the best possible.

Sandringham and District Memorial Hospital

Mr THOMPSON (Sandringham) — I seek an assurance from the Minister for Health that prior to the implementation of any recommendations of the network review conducted by Professor Duckett the minister will consult with the various interest groups who may be affected by the final outcome of the review.

Numbers of my parliamentary colleagues have earlier made representations in the chamber on behalf of their electorates, including the honourable members for Bentleigh and Mordialloc. The honourable member for Brighton is also concerned about the implications of the network review for the Sandringham and District Memorial Hospital.

The hospital serves a number of constituencies. One constituent who required renal dialysis went on an 18-year odyssey through the Melbourne hospital network before she found an oasis at the Sandringham hospital. She is very comfortable with the treatment she receives there. One of Melbourne's leading orthopaedic surgeons, Mr John Griffiths, is of the view that any relocation of Sandringham hospital outside the Southern Health Care Network, where it has prospered over the past three years, would be detrimental and adverse to the throughput of orthopaedic patients in the region. The staff at the hospital also have a high level of concern about relocation.

I seek an undertaking from the Minister for Health that those groups and others who have had a long-term interest in the hospital's administration and the operation of its casualty department will have the opportunity to present their cases so that the services offered through the hospital will not be placed in jeopardy in the future.

The review of the network has been undertaken in the context of a number of the network groupings not flourishing. That may be contrasted with the outstanding performance of the Sandringham hospital, where there has been a 30 per cent increase in throughput in orthopaedics, general surgery and midwifery, where throughput has been operating at record levels. All these features have served to underpin one of the most important features of the Sandringham hospital — that is, the operation of its emergency service unit.

For those reasons I seek an undertaking from the minister that he will be prepared to consult with the relevant interest groups prior to the final implementation of the Duckett report.

Schools: asbestos

Mr MILDENHALL (Footscray) — I raise for the attention of the Minister for Education an issue relating to the transfer of portable classrooms to the Somerville Rise Primary School. The matter was raised by the honourable members for Mornington and Warrandyte in this house yesterday. They have obviously set out to whip up alarm in the community about safety in our schools.

Honourable members interjecting.

Mr Smith — On a point of order, Mr Acting Speaker, my recollection of the standing orders is that an honourable member cannot raise a matter that has already been raised in an earlier debate.

Mr MILDENHALL — On the point of order, Mr Acting Speaker, I suggest it is premature to judge the request I am about to make until it is heard. The action I am seeking may well be totally different from the guidelines sought by the honourable member for Warrandyte.

The ACTING SPEAKER (Mr Loney) — Order! The honourable member for Warrandyte raised a matter in debate which related to — I think these were his words — some hundreds of classrooms statewide that were affected by asbestos and the effect that would have on students across the state. As I understand from what the honourable member for Footscray has raised so far, he is referring to a specific instance of portable classrooms at a specific school. He has not yet begun to outline the precise nature of the issue he wishes to raise. I will continue to hear him on the basis that he is raising a matter relating specifically to that school and not the same general matter that was raised by the honourable member for Warrandyte.

Mr MILDENHALL — Thank you, Mr Acting Speaker. The issue I raise relates particularly to the two portable classrooms that were moved to the Somerville Rise Primary School — about which the honourable members for Mornington and Warrandyte have sought to whip up community alarm with comments such as the education department having dredged up the decommissioned portables and other relocatable classrooms that were unsafe.

Mr Honeywood — On a point of order, Mr Acting Speaker, at no point has the school at Somerville Rise been accused by me of — —

An honourable member interjected.

Mr Honeywood — No, of having received portable classrooms from Port Melbourne. The honourable member for Footscray — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Loney) — Order!

Mr Honeywood — On the point of order, Mr Acting Speaker, a moment ago you pulled up the honourable member for Footscray for not being specific in relation to a particular school. He is now mentioning Somerville Rise Primary School and suggesting that the classrooms came from Port Melbourne. That is not the case; they came from another school.

The ACTING SPEAKER (Mr Loney) — Order! There is no point of order. If the honourable member claims to have been or believes he has been misrepresented he has a course of action to take. There is no point of order. The honourable member for Warrandyte may have missed the fact that earlier I asked the honourable member for Footscray to make sure that he dealt with a specific instance and not the general one the honourable member for Warrandyte raised previously. I have listened to the honourable member for Footscray carefully, and he has related his remarks to the specific instance.

Mr Smith — On a further point of order, Mr Speaker, I refer to the notes prepared by Speaker Coghill on adjournment debates, which state specifically that questions similar to questions without notice are inadmissible. In other words, where questions on any area are seeking information of the same type on the same subject, they are inadmissible.

The ACTING SPEAKER (Mr Loney) — Order! I believe the honourable member for Glen Waverley is raising a point of order I have already dealt with.

Mr MILDENHALL — It is obvious that we need to assist the honourable member for Warrandyte not only to work out to which minister he should address the question but also with his hearing! I did not mention Port Melbourne.

The ACTING SPEAKER (Mr Loney) — Order! The comments made by the honourable member for Footscray are not relevant to the matter he raised.

Mr MILDENHALL — I am seeking the minister's assistance, and I ask her to take whatever action she needs to take to deal with the specific issue of Somerville Rise Primary School. Technical and facility resource issues, communication strategies and many other matters are involved. There is an obvious need for clear common or garden sense to be brought to the matter. In the face of the cynical political opportunism the opposition has displayed, I seek the minister's further involvement to provide that calm and thoughtful approach for which she is becoming known.

It is a bit rich. Schools right around the state still have Bristol classrooms — 1947 iron-walled portable classrooms that the former government left there, saying, 'That is all right for our kids'. Those iron-walled classrooms are like ovens in summer and fridges in winter — and that was all right for the kids! Now the opposition tries to whip up a storm over this. I ask the minister to bring some commonsense into this debate and take whatever action is necessary.

Rowville Primary School

Mr WELLS (Wantirna) — I ask the Minister for Education to lift the ban on school visits to Indonesia. Rowville Primary School is in my electorate and over the past several years has had a successful language exchange program with its sister school in Yogyakarta. A delegation from that school came to Rowville in March this year and visited me in Parliament. Students from Rowville Primary School were to undertake a reciprocal visit in September this year. However, the ban imposed by the Department of Education, Employment and Training is putting the trip in doubt.

In September last year after the problems in East Timor the Department of Education, Employment and Training took the responsible step and banned all visits by Victorian schools. It was a responsible act. However, now that the situation has changed significantly I believe the department needs to update its information. Travel advice bulletins from both the Department of Foreign Affairs and Trade and the Australian Embassy in Jakarta dated 25 February and 6 March note that in many areas in Indonesia that were previously of concern things have returned to normal.

The bulletins note that:

> … the situation in Lombok for tourists and citizens has returned to normal.

They also state:

> Bali is calm and the tourist services are operating normally.

However, Yogyakarta, where Rowville Primary School's sister school is located, has never been listed as a problem area and remains peaceful and normal. Currently there is no negative advice from the Department of Foreign Affairs and Trade about that area. Rowville Primary School has contacted the Minister for Education seeking a review of the ban.

However, a decision must be made quickly to assist the school in its planning and allow the trip to go ahead in September.

Considering the positive information about Indonesia released by the Department of Foreign Affairs and Trade over the past few months, I ask the Minister for Education to intervene so that the school can make the trip. The Department of Education took the appropriate action in September last year, but it is now time to update that policy given the information coming from the Department of Foreign Affairs and Trade and to allow the trip to proceed.

The ACTING SPEAKER (Mr Loney) — Order! The time for raising matters on the adjournment has expired.

For the clarification of the house on matters which were the subject of a point of order during the adjournment — that is, matters already raised in debate — I refer the house to a ruling by Speaker Delzoppo.

A point of order was raised with Speaker Delzoppo concerning the prohibition against raising a matter more than once in an adjournment debate. Speaker Delzoppo directed the attention of the house to that fact but allowed the member who was interrupted to continue. The same person had been mentioned in three contributions but each reference was to a different aspect. It is clear that Speaker Delzoppo ruled that provided the member was raising a different aspect the matter could be heard.

Responses

Ms DELAHUNTY (Minister for Education) — Thank you for that clarification, Mr Acting Speaker. It is obvious that the honourable member for Warrandyte was trying to apply the gag in the Parliament.

The honourable member for Seymour raised the matter of Seymour Technical High School. In 1978 Seymour Technical High School began to use for an agricultural and horticultural facility some land owned by the former Department of Education. As the honourable member outlined, that facility has been used for some time and the school has been running fantastic programs for rural students to keep them in an educational environment while giving them some sort of vocational training. The best governments around the world insist that their education facilities provide such programs, and the school was doing exactly that at Seymour.

However, the people at Seymour Technical High School did not trust the last government — is that any surprise to members? They did not trust the previous government because it considered the land to be vacant land which it could flog off! The honourable member for Warrandyte knows this well because he was a senior education minister in the last government — to his enduring shame. He knows the previous government was trying to sell that land; it said the land was surplus to requirements and decided it could make a quid out of it.

Ms Kosky interjected.

Ms DELAHUNTY — He was definitely surplus to requirements — and that is what the electorate thought!

The Seymour school community was so anxious about losing the facility that it told the last government it would find the money to buy the property to retain it for the use of the students who need it so desperately. The Seymour school community did not trust the last government, and why should it have done so?

I have had a close look at the situation. There is no need for the school community to put more funds into something the government is providing and should provide. I can assure the Seymour school community that it will not lose the property. It is a great educational resource. I have great pleasure in announcing that the Bracks Labor government is saving the land. It will be returned to its rightful owners, the students of Seymour.

The honourable member for Wantirna raised a serious matter concerning the anticipated visit by Rowville Primary School to Indonesia in September. He was speaking on behalf of the school community because some confusion has been caused about whether it is safe to go to Indonesia at this time. I am informed that the Department of Foreign Affairs and Trade has advised that the area in Indonesia the school wishes to visit to cement its sister school relationship is a safe area to visit.

However, the state Department of Education, Employment and Training has advised caution. That has caused some anxiety because the school community wishes to book for the trip. The honourable member for Wantirna is doing absolutely the right thing in raising the matter in good faith. I will discover why the education department has recommended caution, see whether the situation can be clarified and provide a definitive decision, hopefully supporting the trip.

Much has been said tonight about duty of care. As the honourable member for Wantirna would be well aware, it is the responsibility of the education department to be

absolutely certain there is no risk to those students while in Indonesia. We need to be absolutely sure there is no risk.

The excellent honourable member for Footscray is a great asset to the government; he has a long and enduring interest in education and much knowledge about education issues. The honourable member raised for my attention an occurrence at Somerville Rise Primary School, which the honourable members for Mornington and Warrandyte have been whipping up into a great storm. I will advise the honourable member for Footscray what occurred at Somerville Rise and what the government has done to assure parents at the school that their children are not at risk in those portables.

Two portables were moved to Somerville Rise over the summer break. Those portables were in use by other schools, as the honourable members for Warrandyte and Mornington well know. They were used by the previous government. They were not and have never been decommissioned.

The honourable member for Warrandyte has been running around the state saying the government is using decommissioned portables. That is wrong. He and the education department well know that the portables have been used as teaching spaces in other schools. They are now surplus to requirements at those schools. They have been audited, and they have been deemed fit for use by students.

The honourable member for Warrandyte has whipped up a storm, saying the government has dredged up decommissioned portables. Under this government anything that is decommissioned goes to the tip. I do not know what the former government had sitting around and used, but when this government has a decommissioned portable it goes straight to the tip.

As I said, the portables were sent to Somerville Rise. They were audited by occupational health and safety auditors and declared fit for occupancy by the students.

Mr Leigh — On a point of order, Mr Acting Speaker, what is the relevance of this speech being made when the honourable member for Footscray has not even bothered to stay in the chamber? He has left. I cannot see the point of the minister continuing if the honourable member for Footscray thinks the matter is of so little interest that he has left the chamber.

The ACTING SPEAKER (Mr Loney) — Order! There is no point of order.

Ms DELAHUNTY — Precisely. Thank you, Mr Acting Speaker. They do not want to hear the truth.

Honourable members interjecting.

Ms DELAHUNTY — The honourable member for Footscray is listening in his office and taking notes.

What happened at Somerville Rise Primary School? The portables were duly delivered. They were audited by ESP Laboratories, which was under contract from the previous government to audit every portable for health and safety reasons. The former government hired that group and now its members are questioning the audit.

ESP Laboratories had no hesitation in stating that the portables could be reoccupied by students. That advice was given to the department on 16 February. On 17 February the principal at Somerville Rise Primary School issued a newsletter.

Mr Honeywood — On a point of order, Mr Acting Speaker, my question related to portables that were moved over Christmas when the minister was in government. It has nothing to do with who the previous government hired or did not hire. Did the minister hire those consultants, because the portables were moved over the Christmas break when she was minister?

The ACTING SPEAKER (Mr Loney) — Order! As I recall, the matter raised by the honourable member for Warrandyte involved hundreds of classrooms across the state. The minister has been dealing with the issue the honourable member for Footscray raised about the fitness of those specific classrooms for occupation, and to this stage I believe her response to be relevant to that.

Ms DELAHUNTY — ESP Laboratories, which was under an existing contract signed by the previous government, audited those classrooms and declared them safe for habitation by students and staff. The portables at Somerville Rise were declared fit. The buildings contained the lowest level of detection — 0.01. ESP Laboratories had no hesitation in stating that the portables could be reoccupied. That advice was given to the department on 16 February. On 17 February the principal broadcast this information to all parents at Somerville Rise Primary School by way of a newsletter.

It is true that a parent expressed concern about the issue. He raised the matter with the department. He also raised it with his local member, the honourable member for Mornington. When did he raise the matter with his local member?

Mr Hulls — Just yesterday!

Ms DELAHUNTY — The Attorney-General is wrong. I believe the parents raised the matter with their local member at the end of February.

Mr Leigh — On a point of order, Mr Acting Speaker, the minister is now impugning the reputation of another member of Parliament for not doing his job. The honourable member is not here to defend himself, so the minister should be very careful. She took six weeks and did not bother to get back to the people concerned, so she should be careful about impugning the reputations of other members trying to do their jobs, particularly those who have been in this chamber a lot longer than she has.

The ACTING SPEAKER (Mr Loney) — Order! At this stage I believe the honourable member has no point of order. However, I remind all honourable members of the standing orders. The only way of dealing with an honourable member making a reflection on another honourable member is through a substantive motion.

Ms DELAHUNTY — I am informed that the parent raised the matter with the education department and also raised it in February with the local member, the honourable member for Mornington. The departmental officer who spoke to the parent explained that a health and safety audit had been undertaken and, according to the audit, the portables were suitable for children. However, he suggested if the parent had continuing concerns he should raise the matter with the closest departmental office to that school, which is the regional office.

However, the parent decided not to do that but rather put his faith in the honourable member for Mornington. One can ask why the honourable member for Mornington did not raise the matter with me or my department. He sat on his hands until yesterday. If there has been concern about the health of those children, the opposition did nothing about it. Its members sat on the issue until yesterday.

The government knows what the motives of opposition members are. They do not care about the health and safety of our kids. They drove down education spending until Victoria was the lowest spending state in Australia. They are quite rightly ashamed.

Mr Leigh interjected.

The ACTING SPEAKER (Mr Loney) — Order! The honourable member for Mordialloc might feel passionately about the subject, but I ask him to observe the protocols and forms of the house so the adjournment debate can be completed without further interruption.

Ms DELAHUNTY — The honourable member for Mordialloc should be terribly careful. He would have tried to shirt front us if there had not been a table — —

Mr Leigh interjected.

The ACTING SPEAKER (Mr Loney) — Order! I ask the minister not to make statements that may draw a reaction from the honourable member for Mordialloc; I ask her to address the matters raised.

Mr Honeywood interjected.

The ACTING SPEAKER (Mr Loney) — Order! The Chair also seeks the cooperation of the honourable member for Warrandyte.

Ms DELAHUNTY — Now that everyone is calm I will get back to the issues affecting the students.

I have presented to the house the facts surrounding the Somerville Rise Primary School and pointed out that in February the opposition had the information it is now whipping up alarm about around the state, yet did nothing.

The honourable member for Warrandyte raised with me specifically the duty of care. Apart from his party's cynical political opportunism on the issue he has shown no duty of care — and certainly not during the past seven years when he was an education minister and his government drove down spending and broke the hearts of school communities as it closed their schools.

The honourable member asked who undertook the audit. The audit was done by the company under a contract to the education department signed by his government! It was not a brown-cardiganed public servant, as the honourable member so dismissively referred to senior public servants in Victoria. When in government the opposition hired the audit team, and if opposition members have a problem with that team they ought to say so.

On the subject of negligence, the government knows where the negligence has been for the past seven years. I will more broadly clarify some of the background the honourable member for Warrandyte refuses to discuss.

The Department of Education, Employment and Training has an asbestos management program and has engaged a program manager to arrange for the removal

of existing asbestos items that could be hazardous in schools.

Mr Honeywood interjected.

Ms DELAHUNTY — It is interesting that the honourable member for Warrandyte does not want to hear this information, because I am presenting the facts.

All schools have been provided with a detailed asbestos audit outlining the condition of asbestos items in school buildings. The documents are used to identify asbestos items prior to undertaking minor or major works in schools in accordance with the regulations.

The department has provided an asbestos management plan to all schools to assist with the management of asbestos. The asbestos management program is ongoing to ensure that potentially hazardous items are removed. That is the program. That is what the government is trying to do.

The opposition raised the issue of some of the old portables. None of the portables that were moved to schools over the summer was ever decommissioned. As I said — —

Mr Honeywood interjected.

Ms DELAHUNTY — You said they were decommissioned, and you were wrong. You know you're wrong, Phil.

The ACTING SPEAKER (Mr Loney) — Order! Through the Chair, please, Minister.

Ms DELAHUNTY — The honourable member for Warrandyte knows he is wrong. None of those portables was ever decommissioned. Every portable had been in use and had been audited for safety. The honourable member for Warrandyte knows that. He should hang his head in shame. He knows his claim is not true.

The honourable member knows that some of the portables are old. What did he do about it when he was in government? He did absolutely nothing. He washed his hands like Pontius Pilate.

Opposition members interjecting.

Ms DELAHUNTY — You had a policy! Tell me about your policy. Tell the people of Victoria about your policy. They didn't know you had a policy.

The ACTING SPEAKER (Mr Loney) — Order! Minister, I think it would be a lot better if we did not ask the shadow minister to tell us about previous policies. Honourable members may get out of here a lot quicker if we remain on the issue raised on the adjournment.

Ms DELAHUNTY — It would be a short answer if we asked about the opposition's policy.

The former government knew about the old portables but did not give a damn about them. The current government has allocated $28 million in this budget to start to upgrade — —

Honourable members interjecting.

Ms DELAHUNTY — Yes, you are right — over four years. It is a great policy, isn't it? An amount of $28 million over four years has been allocated to begin the upgrading of the stock of portables, compared with nothing. The government will then be able to phase out the old portables that the former government kept hanging around. The government will send the decommissioned portables straight to the tip. I think the honourable member for Warrandyte used to keep them piled up in some secret storage area. He loved them and could not say goodbye to them. That is why he has raised this furphy about decommissioning. Perhaps it is some sort of military analogy.

Let me clarify the position. The portables have been moved. They have been audited and cleared by independent auditors who were employed under contract by the previous government. The portables were in use by the previous government. None of them has been decommissioned and they have all been cleared for safety. However, the government will not leave it there but will spend $28 million so that the stock of portables can be upgraded and some can be got rid of.

The government is serious about quality education, unlike the opposition. The honourable members for Warrandyte and Mornington have cynically exploited the situation and have whipped up alarm. They knew about Somerville Rise in February, but did nothing.

Mr HULLS (Minister for Manufacturing Industry) — The honourable member for Ballarat West raised the very important issue of a company called Maxitrans in Ballarat that laid off 50 casual staff yesterday. I understand the laying off of the staff had been expected by the company given a background of employment there increasing from 272 to 450 over the past couple of years. The company is a great regional employment success story that has now hit a brick wall, and that brick wall is the goods and services tax (GST).

Federal Treasurer Peter Costello and the federal Minister for Industry, Science and Resources, Nick Minchin, have said there is no GST buyers strike, but the evidence in Victoria, and particularly in the electorate of the honourable member for Ballarat West, suggests otherwise. Perhaps federal Treasurer Peter Costello should get out a map, find Ballarat, drive there and tell those workers that there is no GST buyers strike. Maybe he could convince those workers that they now have virtual jobs — there is virtually no work and virtually no pay.

Clearly, when it comes to the GST the federal government is not on the same planet as Victorians. The company knew orders were being deferred because of the GST, and it employed many staff on a casual basis because it knew it would ultimately be forced to let the staff go. The company has been unable to avoid the severe downturn in fleet orders caused by the GST, but it was able to take some measures in an attempt to soften the blow. However, the blow cannot be softened for the 50 workers in Ballarat who now no longer have their jobs.

The only GST compensation the workers will receive from the mean-spirited Howard government is an increase of $5 to $10 in their unemployment payments. That does not compare to a full-time job. Had they retained their jobs they would have paid as much in taxes as the federal government will pay in social security payments.

The situation is disgraceful, and I will take it up with the federal government as recommended by the honourable member for Ballarat West. I invite honourable members opposite who have an interest in country Victoria to do the same and take the opportunity of explaining to their federal colleagues the adverse impact the GST is having and will have on regional Victoria. Unfortunately, the company referred to is one only of many already feeling the adverse effects of the GST.

I thank the honourable member for Ballarat West for raising the matter, and I will report back to her upon receiving advice from the federal coalition government.

Ms CAMPBELL (Minister for Community Services) — I thank the honourable member for Burwood for his continued interest in Kew residential services. The Kew residents are lucky to have so close to their home an honourable member who continues to prod and remind me and my department of the importance of a proper home and facilities for them.

Since the election of the Bracks government fortunes have considerably improved for the people at Kew as the result of a funding injection in the current financial year which has brought about measurable benefits in their quality of life. It is important that the improvements take place now and are not put off until the never-never.

One of the first organisations I had the pleasure of meeting with after being sworn in as the Minister for Community Services was the Kew Parents Association. The parents were advocating for improved services and facilities for their sons and daughters long before I became a minister. I had tried to visit Kew when I was in opposition but was unable to gain entry without a prolonged argument. Even after the argument I could not gain entry!

After speaking with the parents I was told things were particularly bad during peak times at 7.30 a.m. I went there at that time and spoke to the residents and staff and had the opportunity to view for myself exactly what occurred. I must admit it was extremely alarming, and I wanted to make sure that improvements in both the facilities and the programs began immediately.

The honourable member for Burwood is aware, as a result of continued interest, that last Friday I sent my ministerial adviser to check on continuing improvements at Kew. I was pleased to advise residents, parents and staff that the Bracks government was providing additional funding of $1.45 million to enhance the residents' lifestyle opportunities, and I am glad to say that the tangible benefits from that increased expenditure are already becoming evident.

For a start, access to structured day programs has been significantly enhanced. When I visited Kew I learnt that not all residents had the opportunity to attend day programs and some were getting only 9 hours activity per week. I have since ensured that all residents receive 15 hours per week in their day programs.

The importance of the residents enjoying leisure opportunities was another issue raised during my visit. The evening and weekend leisure opportunities at Kew have been extended and residents are able to enjoy improved leisure, as do members of the rest of the community who have a different environment in which to enjoy their leisure time.

The physical environment, particularly in two of the units, harked back to the 19th century. I visited one of the units that had a large family room. It was bare except for a two-seater couch. I have made sure furniture has been purchased for that unit, and

interesting additions such as paintings, prints or other items have been hung on the walls to create a more homely environment.

Planning and construction of a sensory motor garden is about to begin in one of the units to allow pleasant therapeutic activities in that unit. Some honourable members may not be familiar with what a sensory motor garden is. It is a garden that enables people to enjoy swings, for example, has aromatic flowers and provides different tactile opportunities. That is an explanation of the quite exciting features that will be available at the units where some of the people, because of their behaviour, are limited to their immediate environment.

My department is also in the process of assessing the sporting needs of all the residents at Kew Residential Services. That will ensure ongoing work is based upon the needs of the residents. The honourable member for Burwood can be assured that I will continue to take a personal interest in improving the lives of the residents at Kew.

The honourable member for Malvern raised with the Minister for Health the regulations of the medical profession concerning referral to the Medical Practitioners Board. I will direct that matter to the attention of the Minister for Health and ensure he provides an answer to the honourable member.

The honourable member for Sandringham raised a matter with the Minister for Health about consultation prior to the implementation of the recommendations of the Duckett review. I will pass that matter on to the minister.

The honourable member for Monbulk raised a matter for the Minister for Environment and Conservation in relation to small-town sewerage schemes at Wandong and Heathcote Junction, particularly in regard to a levy and a freeze. That will also be passed on to the minister.

Motion agreed to.

House adjourned 7.35 p.m. until Tuesday, 9 May.