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Mr SPEAKER (Mr Neil Andrew) took the chair at 9.30 a.m., and read prayers.

PRIVILEGE

Mr SPEAKER (9.31 a.m.)—I wish to make a brief statement to the House before proceeding to the blue. Yesterday, the honourable member for Denison raised as a matter of privilege claims that an AFP officer had been subject to investigations as a result of his involvement with the Joint Standing Committee on Foreign Affairs, Defence and Trade. I am sure the honourable member would understand that, before giving a decision on the matter, it would be desirable that I have the benefit of any information that the joint committee itself can provide. I have today taken action to seek such information. I will inform the House of my decision when I have been able to consider the matter in the light of any information the committee can provide.

COMMITTEES

Public Accounts and Audit Committee

Mr CHARLES (La Trobe) (9.32 a.m.)—On behalf of the Joint Standing Committee of Public Accounts and Audit, I present the committee’s report No. 372 entitled Corporate governance and accountability arrangements for Commonwealth government business enterprises.

Ordered that the report be printed.

Mr CHARLES—by leave—Commonwealth GBEs provide a range of services to the Australian community, including communications, transport, employment and health services. In 1998-99 Commonwealth GBEs generated revenues of nearly $25 billion, provided dividends of $4.5 billion and controlled assets of some $40 billion. Given that GBEs are publicly controlled entities, the parliament has a continuing interest in their governance, performance and accountability. The growing demand for more efficient, effective and responsible corporate governance stems from the corporate failures of the past but also by corporate challenges of the future. Corporations, both public and private, face challenges relating to globalisation, technological change and sustainable development.

In view of these issues, the committee decided to review aspects of and ask questions about corporate governance and accountability arrangements applying to Commonwealth GBEs. The committee commenced this inquiry about two years after the government introduced new governance arrangements for Commonwealth government business enterprises in June 1997. The new governance arrangements focused on reporting arrangements, the appointment and removal of board directors, board responsibilities and financial governance arrangements. The broad objective of the inquiry is to assess the appropriateness and effectiveness of these arrangements. The issues that the committee focused its investigation on, and which I will briefly discuss, include: (1) the appropriateness of the governance framework; (2) the role of the shareholder ministers; (3) GBE boards and performance appraisal; (4) the Senate estimates process and the scrutiny of GBEs; and (5) risk management issues.

The committee examined the appropriateness of the Commonwealth Authorities and Companies Act 1997 and, in particular, its continued application to GBEs. Some groups suggested that it would be more effective for GBEs to be subject solely to Corporations Law. The primary objective of the CAC Act is to standardise the reporting, notification and auditing requirements of CAC bodies. In addition, it helps to ensure appropriate accountability to ministers and the parliament.

As stated earlier, GBEs in 1998-99 generated revenues of nearly $25 billion, provided dividends of $4.5 billion and controlled assets of some $40 billion. In view of the significant responsibility in managing these assets, the committee is not prepared to recommend any relaxation of the accountability requirements applying to GBEs and supports the application of the CAC Act to GBEs.

The Commonwealth’s ownership interests in its GBEs is represented in most cases by two shareholder ministers: the portfolio minister and the Minister for Finance and Ad-
administration. A key consideration during the inquiry was the perceived conflict that exists with the continuation of portfolio ministers as shareholder ministers. The government recognised this very fact when it chose to have the Minister for Finance and Administration as the sole shareholder for the Sydney Airports Corporation, Essendon Airport and Employment National. In these cases, the Department of Finance and Administration justified the sole shareholder model on the grounds that it would allow portfolio ministers to focus primarily on regulation and industry policy issues, and the Minister for Finance and Administration as shareholder to pursue the objective of value maximisation. It is essential that the operational settings for GBEs are such that they maximise the efficiency and effectiveness of the entity and help generate appropriate rates of return. As suggested in the evidence, the influence of the portfolio minister could compromise these objectives.

In view of these issues, the committee recommends that all portfolio ministers be removed from their GBE shareholder responsibilities but remain as the responsible minister under the GBE’s enabling legislation. The government’s shareholder interests in GBEs should be represented by and be the responsibility of the Minister for Finance and Administration. A number of organisations have drawn attention to the fact that there are no principles relating to GBE performance to guide the relationship between ministers and boards. The committee notes that, in the event that the minister gives written directions to the boards of Telstra or Australia Post, these written directions must be tabled in both houses of parliament within 15 sitting days. In cases where ministers have the power to direct GBE boards, there is increased accountability and transparency if written directions are made public and subject to scrutiny. The committee concludes that in their relationship with ministers all GBE boards should be under a similar arrangement to Australia Post and Telstra. That is, all ministerial directions to GBE boards should be in writing and publicly reported.

Boards of GBEs are responsible and accountable to shareholder ministers and parliament for delivering the government’s policy objectives and ensuring that the enterprise is operating as efficiently and effectively as possible. It is essential that board directors be well equipped and informed to carry out their work. Therefore, the committee recommends that GBE boards must ensure that there are appropriate and effective induction, education and training programs offered to new and existing board directors. In addition, there is the need for greater attention to be given to the performance of the board and individual directors. Therefore, the committee recommends that the Minister for Finance and Administration amend part 3 of the 1997 governance arrangements for Commonwealth GBEs to include a section requiring confidential board and director performance appraisal. A rigorous performance appraisal system in association with identified incentives will help develop a more competitive and performance oriented culture in GBE boards.

A number of GBEs and portfolio departments made comments regarding the appropriateness of the Senate estimates process as an additional accountability mechanism. Telstra, in particular, indicated that appearing at Senate estimates hearings created an additional cost burden in terms of time and human resources devoted to this task. In addition, Telstra was concerned that questioning at Senate estimates could lead to the release of commercially sensitive information which could disadvantage it against its competitors. In view of these concerns, Telstra advised that it should be exempt from the Senate estimates process. The committee acknowledges some of the concerns that GBEs have about Senate estimates committees. While Telstra admitted that no commercially sensitive information has yet been released through Senate estimates committees, the risk remains that Telstra and other GBEs could be seriously disadvantaged in the marketplace if this were to occur. The committee suggests that there is the need for greater clarity and coherence in the way parliamentary committees examine commercial matters of GBEs. Therefore, the committee recommends that the Minister for Finance and Administration
develop draft guidelines for the scrutiny by parliamentary committees of commercially confidential issues relating to GBEs. The draft guidelines should be submitted to the committee for approval.

The government is exposed to many risks through its ownership of GBEs, including financial, operational, political and reputational risks. Therefore, the government considers it is essential to ensure that the risk management strategies of all Commonwealth GBEs are operating effectively. The board of a GBE is wholly responsible for identifying, monitoring and controlling all risks that may affect the operations of a GBE. Audit committees are playing an increasingly important role in corporate governance and, more specifically, in the area of risk management. The committee notes that Telstra’s internal audit function is conducting a risk management assessment function. The Australian National Audit Office, in its better practice guide, proposed that audit committees should have a role in risk management, including approving and monitoring policies for reporting risk management and internal control. The 1997 governance arrangements devote a section to managing risks, although there is no mention of the role of audit committees in this process. The committee therefore recommends that the risk management responsibilities of audit committees be included in the governance arrangements for Commonwealth GBEs under part 4, ‘Managing risk’.

In conclusion, I would like to express the committee’s appreciation to those people who contributed to the inquiry by preparing submissions and giving evidence at public hearings. Finally, I wish to thank the members of the sectional committee for their time and dedication in conducting this inquiry. I also thank the secretariat staff who were involved in the inquiry: the secretary to the committee, Margot Kerley; sectional committee secretary Stephen Boyd; research officer Mr Gordon Carey; and administrative officer Tiana Gray. I commend the report to the House.

Mr COX (Kingston) (9.42 a.m.)—by leave—There was some suggestion in the course of this inquiry that government enterprises should not be subject to any greater scrutiny or requirements than those prescribed under the Corporations Law. There was also a view that, with the Howard government’s ongoing process of privatisation, they are an endangered species and it would not be many years before this subject was rendered irrelevant by the extinction of the Commonwealth government business enterprise species. Indeed, since this inquiry was completed, the number of remaining GBEs has been reduced from 14 to 13 with the sale of ADI.

The Labor Party does not accept that all existing GBEs will be sold or indeed that a future government will not occasionally have good reason to create new ones. The significance of some of the GBEs which remain, particularly Telstra and Australia Post, makes issues which go to their good management and accountability critical to both their financial performance and the delivery of community service obligations. If a partially privatised entity like Telstra finds itself in a schizophrenic situation, with private sector shareholders and a parliament interested in scrutinising its activities on account of not only its interest in the delivery of its services to the community but also its accountability to the Commonwealth as a majority shareholder, then that requires processes which are for the parliament to determine in a disciplined way and are not something to be left to Telstra. Indeed, on the day Telstra suggested to the committee that it should not be subject to any parliamentary scrutiny, the Commonwealth shares had a market value of $65 billion.

The disciplined process to managing the Commonwealth’s control of its GBEs began in October 1987 with the publication by the Labor government of the white paper policy guidelines for Commonwealth statutory authorities and government business enterprises. I am pleased to say, as the former senior private secretary to the minister for finance who was responsible for that white paper, that, on the basis of the report we are tabling today, the principles contained in that white paper stand up very well. I will go through the recommendations of this report in order, leaving the discussion of the recommendations on the applicability of ad-
Administrative law to my colleague the member for Lalor.

The committee proposes some clarification of the responsibilities of shareholder ministers and ministers responsible for GBEs under enabling legislation. Put simply, the perceived conflict between shareholder and operational issues can be resolved by making the Minister for Finance and Administration the single shareholder while making the relevant portfolio minister responsible for the powers of direction under the GBE enabling legislation. In reality, any significant conflict between these two ministers’ positions on a major issue would be likely to be settled by cabinet.

The 1987 white paper proposed that all GBEs be subject to a power of ministerial direction. This report recommends that, for reasons of transparency, where it is not already a requirement, any use of that power be in writing and be tabled in parliament within 15 days. To improve the quality of GBE boards, there should be appropriate induction, education and training programs, and board members should be subject to confidential board and director performance appraisal. Since one of the principal functions of boards is to manage risk within the organisation, board members should be both capable of doing this and, in the first instance, be in a better position to do it than portfolio departments maintaining a watching brief. GBE audit committees should be given specific responsibilities in this area.

Appearing before committees of the parliament was something that some GBEs, particularly Telstra, wanted to avoid. The committee found that the real cost of this process to the organisation is insignificant and that it should continue. However, in a competitive environment issues will arise that a GBE will want to keep confidential for commercial reasons. With care, these issues should be capable of being handled without compromising either the principles of parliamentary accountability or the GBE’s commercial interests. The committee has therefore recommended that the Minister for Finance and Administration, who is the proposed shareholder minister, draw up an appropriate set of draft guidelines for the scrutiny by parliamentary committees of commercially confidential issues and that these be submitted to the Joint Committee of Public Accounts and Audit for its approval.

Mr ST CLAIR (New England) (9.46 a.m.)—by leave—I commend to the House the tabling of report No. 372, Corporate governance and accountability arrangements for Commonwealth government business enterprises, or GBEs as they are known, by the Joint Committee of Public Accounts and Audit. I would also like to take this opportunity to emphasise the importance of the effective corporate governance and accountability practices in all of the federal government’s business enterprises. As our chairman said, it is significant that in the 1998-99 financial year Commonwealth GBEs generated nearly $25 billion in revenue and $4.5 billion in dividends as well as controlling assets worth around $40 billion—large amounts of money, even by federal government standards.

What is more significant, though, is that these GBEs, including 14 organisations such as Australia Post, Telstra, the Defence Housing Authority, ADI, the Australian Rail Track Corporation and more, are controlled by the Australian government on behalf of the Australian people. My views on government business ownership and administration are well known. I believe that governments should remain in the business of running the country without dabbling in the business of running companies. I have stated before, for instance, that I support the proposal for the full sale of Telstra provided, and only provided, the federal government legally enforces the delivery of Telstra’s universal service obligations to regional Australia and ensures they are subject to independent performance audits; fully delivers the promised $671 million infrastructure improvements resulting from the first and second tranche sales; enforces community service standards in country and regional areas by further legislation; and legislates to suspend Telstra contracts if service obligations are not continually honoured.

However, while ever the Australian government remains as it does in the business of running and administering business enter-
prises, GBEs run on behalf of the Australian people, I strongly support the need for an even higher standard of corporate governance and accountability practices to be developed and maintained. I believe that, while ever these assets are administered by the government, they should be maintained and improved as if they were the domain of private enterprise. This includes the maintenance of GBE infrastructure, keeping a strong, well-trained work force, good corporate governance and accountability practices and all those other facets that go into making a successful business, public or private.

My point is that government corporate governance and accountability plans and strategies need to be kept to a level comparable to, or even better than, that of private companies, with advice from private business, in order for our government enterprises to maintain their competitiveness in the ever-changing, fast-moving world market that we face in the year 2000 and beyond. If these levels are not maintained we will end up with devalued assets, of little use to us to maintain as GBEs or to sell. To me it is quite simple: regardless of your views on government business enterprises, it must be agreed that good corporate governance practices are required as an essential ingredient in their overall running. That is what this report is about.

After the committee having conducted a public inquiry and investigating and carefully considering submissions from GBEs, government departments and other organisations, this report has been put together and presented with recommendations to improve the corporate governance and accountability practices within GBEs. With sensible recommendations, including the removal of portfolio ministers from GBE shareholder responsibilities while remaining as the responsible ministers, as well as several other recommendations for the Minister for Finance and Administration to consider, I am confident that the tabling of this report is a step in the right direction for the future good management of our GBEs. I again commend the tabling of the report.

Ms GILLARD (Lalor) (9.52 a.m.)—by leave—I rise to speak on the report Corporate governance and accountability arrangements for Commonwealth government business enterprises. This is an important report on an important area. As other speakers have noted, the area of government business enterprise is important not only because it has some $40 billion worth of assets in its hands but because it raises important matters of principle. In formulating this report, the committee had to wrestle with the question of what transparency and accountability requirements are appropriate for government business enterprises. Of course, in dealing with that question, there is a tension between two possible policy goals. One is that, in any situation where public funds are invested, the most transparent and accountable arrangement possible should be preferred.

As a matter of principle, taxpayers are entitled to know how assets in which they effectively hold a share are being managed. Weighing against that important public policy goal is the fact that a number of government business enterprises are competing against private sector firms. The government business enterprises are entitled to say that they should be subject only to the same transparency and accountability requirements as their private sector competitors and that, if they are required to meet a greater standard, they are not on a truly competitive footing. In resolving this tension, it is important to note that we are not dealing with a static background, and I believe that the member who spoke before me noted this as well. Increasingly, through globalisation, heightened competition and new technology, the demands on the private sector for accountability and transparency have increased. Global capital, with its increased mobility, has shown throughout the past decade that it is attracted to investments in those companies and those markets whose economic performance can be clearly assessed through transparent and accountable arrangements, and that it will increasingly spurn companies and markets whose hallmarks are secrecy and cronyism. We can therefore expect to see a global move to increasingly transparent and accountable arrangements, and we will need to keep pace in our domestic markets as these developments emerge. At the same time, within Australia we have seen the develop-
ment of a culture of genuine inquiry amongst domestic shareholders—so-called mum and dad investors—about the performance of companies in which they invest. We should expect this culture to become increasingly robust over the coming years, with increased activity by shareholders associations and the like to ensure that the funds that private citizens have put into private sector businesses are being managed in an appropriate way.

Consequently, the committee faced a policy conundrum about managing the tension between accountability for government business enterprises on the one hand and market competitiveness on the other. It is a policy conundrum against a background where the private sector itself is being increasingly required to deliver more accountable and transparent arrangements. In my view, it therefore would not be appropriate for us to relax the transparency and accountability arrangements that apply to government business enterprises to the level currently applying to the private sector. Indeed, I think we can rightly forecast that the level applying to the private sector will increase over time. Given this, it is important that the government should lead in this area. Its accountability and transparency arrangements should be better than those of the private sector and should not be allowed to devolve to the current accountability and transparency arrangements in the private sector. As people read this important report, they will get that flavour from the committee’s consideration.

I turn specifically, against that background, to make a few comments on recommendation 1, that being the applicability of administrative law to current and future government business enterprises. The committee has recommended that the Minister for Finance and Administration review the applicability of administrative law to current and future government business enterprises on a case by case basis. As I am sure we are aware in this place, there are a number of administrative law acts which apply to government business enterprises. They include the Administrative Appeals Tribunal Act, the Ombudsman Act, the Administrative Decisions (Judicial Review) Act, the Freedom of Information Act and the Privacy Act. There was, of course, a body of opinion that the administrative law requirements of each of these acts should be removed from government business enterprises, and indeed Telstra agitated for the case that that be done. Having said that, the other government business enterprises that appeared before the committee noted that the burden placed upon them of complying with the various administrative law arrangements which applied to them was not a particularly onerous one.

Consequently, and in furtherance of the need for the greatest possible transparency and accountability, the committee has recommended in future that, for government business enterprises, the applicability of each of these aspects of administrative law should be reviewed by the minister on a case by case basis. It is my view that the minister, when making the decision as to which of these should apply, should err on the side of increasing transparency and accountability rather than on the side of not so increasing transparency and accountability. I believe that that is the flavour of the report overall. Of course, the case by case recommendation would require the minister to take into account the market that those GBEs find themselves in and what, if any, competitive disadvantage the applicability of such administrative law arrangements would have on those government business enterprises. Let me conclude by saying that I think this is an important report and an important area. I thank my fellow committee members and all those who appeared before the inquiry for their work in making sure that the report came before the parliament.

Mr CHARLES (La Trobe) (9.58 a.m.)—by leave—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

TELECOMMUNICATIONS (INTERCEPTION) LEGISLATION AMENDMENT BILL 2000

First Reading

Bill presented by Mr Williams, and read a first time.
Second Reading

Mr WILLIAMS (Tangney—Attorney-General) (9.59 a.m.)—I move:

That the bill be now read a second time.

The Telecommunications (Interception) Legislation Amendment Bill 2000 has its origins partly in the Telecommunications Interception Policy Review which was tabled in the Senate on 25 August 1999 and partly in response to rapid change in the telecommunications industry.

Honorable members would be aware that Australia’s law enforcement agencies rely on telecommunications interception to investigate criminal activity involving drug trafficking and other serious offences.

The amendments to the Telecommunications (Interception) Act 1979 proposed in the bill will build on and develop the existing legislative scheme to ensure that it continues to support law enforcement and security agencies in the face of developments in technology and the deregulation and globalisation of the telecommunications industry.

We must do this if we are to be effective in the fight against crime.

The bill advances this objective with three groups of amendments. First, the bill will enable the Inspector of the Police Integrity Commission of New South Wales to have access to intercepted material which is relevant to the performance of the functions of that office. The Inspector of the Police Integrity Commission is an independent statutory office set up under the Police Integrity Commission Act of New South Wales to monitor the operations of the Police Integrity Commission for compliance with the law and to deal with complaints of impropriety against the commission. The Inspector is an integral part of the anti-corruption scheme set up under the NSW legislation but is technically a statutory entity separate from the commission itself. Therefore, the Telecommunications (Interception) Act requires amendment to give the Inspector independent access to relevant intercepted information and enable it to use that information in the performance of its statutory functions.

A police force free of systemic corruption is crucial to effective law enforcement.

The government confirms its support of the government of New South Wales in eradicating police corruption by providing access to an investigative tool of proven value.

I can assure honourable members that the proposed amendments are confined to allowing the Inspector access to intercepted information collected by other agencies and will not allow the Inspector to intercept telecommunications in its own right.

The second main objective is to provide for warrants against named persons.

As a result of rapid advances in technology—coupled with competition in the telecommunications market—customers may now choose from a variety of services and means of communication. For example, it is now a simple matter for a person to subscribe to multiple services by acquiring several prepaid mobile telephone services which may be used in the one telephone handset, and swapped around and discarded at will. The Telecommunications (Interception) Act in its present form would require an agency wishing to intercept all of the telecommunications services used by a particular suspect to obtain a separate warrant for each service.

This is an unnecessary operational burden in circumstances where the same suspect and the one offence is involved and adds little in the way of protection of individual privacy.

The difficulties faced by an agency are compounded if it cannot identify at the time of applying for a warrant or several warrants all the services likely to be used by a suspect.

These changes have not escaped the notice of criminals, especially those involved in drug trafficking. Criminals are quick to take advantage of modern technology for the express purpose of concealing their activities.

The Telecommunications (Interception) Act is currently structured around the premise that a warrant relates to one, identified telecommunications service. This premise accurately reflected the telecommunications industry when the act was first enacted over 20 years ago.

It no longer does so.
The legislation should enable connections, disconnections and reconnections—in rapid succession—of multiple services used by a particular suspect in connection with the same offence without the need to obtain fresh warrants each time.

To make it more difficult for criminals and terrorists to evade detection, the bill will amend the Telecommunications (Interception) Act to provide for two new categories of warrant in addition to the existing type of warrant, making three categories in all.

The first category comprises telecommunications service warrants. These are the existing type of warrant directed at an identified service and which continue unchanged.

The second category comprises named person warrants. This is a new type of warrant which will enable an agency to intercept any service used or likely to be used by the suspect named in the warrant. The named person warrant will enable an agency—under the authority of the one warrant—to intercept different services as they become known to the agency, and to disconnect and reconnect them without having to apply for a fresh warrant each time.

It is not intended that this new, more flexible type of warrant diminish the safeguards which are embodied in the Telecommunications (Interception) Act. For this reason, the criteria for the issue of named person warrants and the associated accountability mechanisms will be more stringent.

The amendments will add an extra requirement that the judge or member of the Administrative Appeals Tribunal—before issuing a named person warrant—must first be satisfied that other methods of investigation, including a less intrusive telecommunications service warrant, have been considered and are either unavailable or ineffective in the circumstances.

There will be additional reporting requirements. After the expiry of a named person warrant, the agency concerned will be required to report to the minister responsible for interception matters certain specified information, including a list of the services which were intercepted under the warrant and the reasons why it was ineffective to use a telecommunications service warrant.

The bill will also enable the Attorney-General to issue named person warrants to the Australian Security Intelligence Organisation, ASIO, for purposes connected with the performance of its statutory functions related to the collection of security intelligence and foreign intelligence. Like the corresponding warrants for law enforcement purposes, the criteria for issuing named person warrants to ASIO will be more stringent. Before issuing a named person warrant, the Attorney-General will have to be satisfied that relying on a telecommunications service warrant would be ineffective to obtain the intelligence sought.

ASIO will also be subject to additional reporting requirements in connection with named person warrants.

The third category of warrants proposed in the bill comprise foreign communications warrants for the collection of foreign intelligence.

I have already mentioned that advances in technology and deregulation of the industry mean that the existing interception warrants directed at an identified service cannot operate effectively against a continually evolving telecommunications environment. The proposed named person warrants go much of the way in resolving the difficulties faced by law enforcement and national security agencies.

The proposed foreign communications warrant will enable the interception of particular communications which cannot be identified by reference to specific services or named individuals. This is a characteristic of the sophisticated digital technologies which are increasingly dominant in modern telecommunications systems.

The bill limits the power to issue this category of warrants to interception for the purpose of collecting foreign intelligence. To reduce the possibility of inadvertently intercepting communications between Australians, these warrants may be issued only in relation to foreign communications.

Finally, the bill makes a number of amendments which are consequential upon the amendments I have outlined above or
which are minor amendments necessary to ensure the legislation operates effectively.

Consequential amendments to the Australian Security Intelligence Organisation Act 1979 are required to insert cross references to the new named person and foreign intelligence warrants.

The more significant of the minor amendments to the Telecommunications (Interception) Act will redefine the classes of police officers who may certify certain formal documents for the purposes of the act. The amendments will ensure that only suitably senior officers perform the certification functions. This change has been made necessary by the restructuring of the Australian Federal Police and some state police services to reduce or eliminate ranks.

The amendments will also enable one agency to execute warrants on behalf of another and will remove an obsolete requirement for the Australian Federal Police to execute all interception warrants which also authorise entry onto premises. Agencies have executed their own standard interception warrants for some years now and the amendments will bring ‘interception plus entry’ warrants into line with that policy. This amendment will not affect the Australian Federal Police’s supervisory function which is implicit in the procedures set out in the act.

Other minor amendments will enable the disclosure of intercepted information in subsequent proceedings after being lawfully disclosed in other proceedings and in proceedings reviewing a decision to grant bail.

In conclusion, I remind honourable members of the importance of telecommunications interception to effective law enforcement and intelligence collection.

This bill is designed to enhance the effectiveness of this powerful investigative tool in a fast changing telecommunications environment while still retaining an appropriate balance between individual privacy and the public interest in effective law enforcement and national security.

I commend the bill to the House and present the explanatory memorandum to the bill.

Debate (on motion by Mr Horne) adjourned.

APPROPRIATION BILL (No. 3) 1999-2000

Cognate bill:

APPROPRIATION BILL (No. 4) 1999-2000

Second Reading

Debate resumed from 15 February 2000, on motion by Mr Fahey:

That the bill be now read a second time.

upon which Mr Tanner moved by way of amendment:

That all words after “That” be omitted with a view to substituting the following words:

“whilst not denying the Bill a second reading, the House condemns:

(1) the Government for its abdication of Commonwealth responsibility for appropriate national funding of health, education and other essential community services;

(2) the recent statements by the Prime Minister indicating that Specific Purpose Payments to the States will be reduced as part of the introduction of the new tax system, breaking both his promise to the Australian people and to State and Territory leaders; and

(3) the Government’s failure to abide by the independent arbitration process regarding the indexation of the Australian Health Care Agreement’s payments to the States for public hospitals”.

Mr HARDGRAVE (Moreton) (10.11 a.m.)—I am very pleased to join this debate on Appropriation Bills Nos 3 and 4. As all honourable members would know, this series of bills is at the heart of how government runs itself and offers assistance to other levels of government through financial assistance grants and the application of federally collected taxpayers’ moneys to projects that service us every day in so many different ways. With the introduction of the new tax system starting on 1 July, more Australians will have more money as a result of the changes to personal income tax rates reducing the level of personal income tax. Not only will pensioners and other recipients of welfare receive an increase in their pension from the Commonwealth of four per cent—with people on rent assistance getting seven per cent—and also the other benefits that will come their way as a result of the new tax
system but state governments and their adjuncts, their local authorities, will also receive a guaranteed source of income through the proceeds of the goods and services tax.

The new tax that is being applied across a range of goods and services replaces seven or eight existing taxes, depending on which part of Australia you are in, especially the wobbly old wholesale sales tax system which has an effect of an imbalance in the way each and every one of us is paying tax currently. It is particularly good news for those who rely on state governments to provide a ready source of consistent revenue for important projects. People in my community, like those in the communities of all honourable members, have an expectation that state governments do not baulk at providing the right resources for law and order—the provision of police—for hospitals and hospital services, for ambulances and fire brigades and of course for local governments to make sure, especially in the case of my electorate where the local government provides a bus service, that their services are reliable, timely and responsive to the needs of the local community. So, for these sorts of reasons, this debate always lends itself to the opportunity to talk about a variety of things that are not often talked about in this place. But the matters I want to raise are important. They are issues that affect people in the constituency that I am honoured to represent. The people of Moreton are concerned about not only the issues of expenditure and the decision making that brings about that expenditure but also the style of decision making—the lack of consultation and the take you for granted approach—of both the Brisbane City Council and the state government of Queensland.

I want to deal particularly with the Brisbane City Council in this debate today because, unlike the state government of Queensland—which still does not quite have the high standards this federal government has as far as transparency and accountability are concerned—it really does not have full exposure of its decision making processes, at least in the expenditure of its moneys, which total a budget greater than the budget of the entire state of Tasmania. As a federal member in a metropolitan electorate, it seems extraordinary to me that we have reached such a parlous state in the city of Brisbane, through the lack of consultation of the council that we have to suffer, that I have to deal with cracked footpaths, with blocked sewerage mains and with substantial issues such as poor bus routes in my electorate. I am never afraid to deal with those issues that are of importance to the people in my community because I think that my job is a constant activity test—that people in my electorate constantly expect me to be busy on their behalf, to get results and to advocate for them on matters that are of concern to them. It is for those sorts of reasons that I raise matters such as the 116 bus route, which comes through from Rocklea and Moorooka and makes its way through Clifton Hill and Annerley and into the city of Brisbane.

In the last 12 months, the Brisbane City Council have embarked upon a change to bus routes. Some win, some lose every time there is change like that, and I guess that is a statement of fact. But what is extraordinary is the way the decisions to change the bus routes were made. The style of consultation involved sending out complicated paperwork days before Christmas, expecting people to offer a response to this survey mechanism at a busy time of year and, moreover, not disclosing to the people that this, depending on which way they responded, was going to affect whether or not they were going to keep the bus route. As a result, we have ended up with a lot of very angry people, particularly in and around Moorooka. In that area of Moorooka, there is a strip of shops on Beaudesert Road—the Moorvale shopping strip—which is suffering as a direct result of this council’s failure to properly consult and negotiate with local people about what is important to them.

Local businesses are amazed at the conduct of the local Labor councillor, who is the incumbent in what is a very safe ward for him and who is taking his area for granted. His approach is, ‘Look, I am unable to return every phone call.’ In fact, at a public meeting held a couple of weeks ago, he said, ‘I get 80 phone calls a day’—which I think is an extraordinary number of phone calls—and I only have time to answer about 15.’ That is
about one in six. Is it any wonder that the majority of people in his area are upset with his style and complete lack of substance? So he is unable to return every telephone call. He now says that, because I have raised the issue of bus routes, I have made it political and he asks why I did not raise this a year ago. I thought that someone earning a wage just about as substantial as that of a federal parliament member might have been doing his job. If Brisbane City councillors, the Labor councillors, are not prepared to do their jobs, then here I am, a federal member of parliament, having to do it for them. That I have had to convene a public meeting to try to air the matters that should have been disclosed and found out by the Brisbane City Council is an absolute disgrace and a true indictment of the councillor concerned.

But matters have been made worse. Not only has this councillor embarked upon this but his lord mayor has taken to ringing up elderly ladies who write letters to the editor complaining about the failure to get a right bus route in place and abusing the council. We have a Lord Mayor of Brisbane in charge of a budget bigger than that of the state of Tasmania who takes it upon himself to abuse old ladies. He takes it upon himself to abuse pastors of the Baptist Church and their wives. So the Lord Mayor of Brisbane is an elder abuser. What is particularly sad is that these matters are well understood by members of the media in Brisbane. They themselves have been on the receiving end of the wicked tongue of the incompetent Lord Mayor of Brisbane, but they do not report it, which I think is very sad.

In relation to another important federal government program, Work for the Dole, this Lord Mayor of Brisbane’s arrogance knows no bounds. Thousands of people in my electorate are currently missing out on the opportunity to be part of the very successful Work for the Dole scheme. Why? Because the Lord Mayor says he does not like it. In the suburb of Moorooka alone, there are 428 people who are recipients of Newstart or youth allowance who are not part of a Work for the Dole scheme because of the Lord Mayor of Brisbane. In Rocklea, there are 104 people; in Salisbury, 183 people; in Coopers Plains, 220 people; in Holland Park and Tarragindi, 601 people; in Mount Gravatt and Upper Mount Gravatt, 1,185 people; in Runcorn and Eight Mile Plains, 705 people; and in Sunnybank and Macgregor, 937 people—all let down by the Lord Mayor of Brisbane and his failure to adopt a cooperative approach to the government’s successful Work for the Dole program. As a result of that, worthwhile community projects are not being undertaken. An example is the proposal that was announced on Australia Day by the Liberal candidate for Lord Mayor, Gail Austin—a great worker for the youth of Brisbane and Queensland, a Telstra Businesswoman of the Year recipient in 1997, somebody who understands the real issues of Brisbane and has been prepared to go and talk with the people, consult with them and air their aspirations in her campaign thus far. She announced on Australia Day that a Liberal council in Brisbane city not only would be part of the Work for the Dole scheme but would also introduce a graffiti removal team concept—something that is absolutely needed and wanted by Neighbourhood Watch groups throughout my electorate.

The Lord Mayor of Brisbane turns his back on the dignity, the hope and the experience that people could be gaining through Work for the Dole. Meals on Wheels and other community care organisations in my electorate are also missing out on the assistance that could come from those thousands of people who are looking for the opportunity. Tooyah Forest and the bushland rehabilitation process that is undertaken by a worthwhile community group are also missing out on assistance. The same thing is true for the Tarragindi Reserve. And where feral weed species are now overgrowing the urban creeks and waterways in my electorate, we could have worthwhile Work for the Dole projects to identify, eradicate, rehabilitate and revitalise those urban creeks and waterways. Rocky Waterholes Creek, which runs through Salisbury and Rocklea is a prime example, as is Stable Swamp Creek, which runs through Sunnybank, Coopers Plains and Rocklea. Other examples are Mimosa Creek, which has its heart in Nathan, near Griffith University, and runs through Macgregor; Norman Creek which runs through Tarragindi, An-
nerley and Greenslopes; Bulimba Creek, which runs through Sunnybank, Runcorn, Eight Mile Plains and Wishart; and Moolabin Creek, which goes through Moorooka, Yeerongpilly and Tennyson. That is not to mention, of course, Oxley Creek, which is a prime recipient of a lot of those smaller creeks and waterways.

So worthwhile community projects are not taking place and people in the local community are not being given the hope and experience they should get, all because of the style of decision making and the sheer arrogance of this incompetent Lord Mayor of Brisbane, this man who rings up older ladies and abuses them over the phone. What is extraordinary about all that, though, is the comparison with the Brisbane City Council’s conduct in days past when the failed programs of the Keating era were available to them. During the period 1992-96, the Brisbane City Council in fact was contracted to go along and manage 19 Jobskills, Landcare and Environment Action Program—LEAP—and New Work Opportunities programs in Brisbane. At one stage they were the largest broker of these sorts of programs. They were contracted in those days to provide 3,323 job seekers with work experience and training, at a total cost to the Commonwealth of $28,488,095 under those programs. The average cost per placement in those brokered programs from the BCC was $8,573; that was per person. In those days the Brisbane City Council saw no philosophical difficulty with being part of programs that were forerunners of what is now a much more finetuned, focused and effective program such as Work for the Dole. It pains me to see the people of Brisbane, the ratepayers of Brisbane of whom I am one, also missing out on the extra subsidy that could come their way as a result of the federal government giving money to the Brisbane City Council to broker those programs, and the opportunities and activities that could be undertaken to the benefit of the people of Brisbane that I have already outlined in my speech.

The people of Brisbane have an opportunity to get rid of this lord mayor, and I am inviting them to do so, and with some gusto. I think that there are a lot of people who are literally waiting there to sneak up on this man and dismiss him from office. He faces the people on 25 March with a statement that he is not going to run again if he is re-elected. On 25 March he is going to be re-elected for a four-year term and he wants a victory lap. He wants to take Brisbane into 13 years of Soorley Labor. We saw what happened here in Canberra when Keating had 13 years. We cannot subject Brisbane to the same sorts of difficulties and debt that came out of the Labor Party in this place. We can talk about debt in quite a deal of detail, because under the Soorley administration debt has gone up greatly. It is way over all expectations and projections, and they just keep spending, and they keep spending on things within the inner city, not on things in the suburbs. Basic services that are expected by my constituents are being missed out on. Moreover, money that comes from this level of government to that level of government to provide services is not being provided. I find it extraordinary, given all those matters that I have just outlined, that each and every time I write to constituents to keep them across my activities as the federal member the Australian Labor Party councillors are forever saying, ‘You shouldn't write to your constituents, you shouldn't keep them informed.’ The last group in the community I am ever going to take advice from, with the greatest of respect, are members of the Australian Labor Party, because they have let down Australians so badly over so many years. I would not have to do all these things if the councillors in my area actually did their job.

I would like to turn for a moment to the state government of Queensland. The state government of Queensland are developing a similar arrogant style. They are showing themselves also to be lacking in the ability to properly consult. It is interesting to note that, in the case of the south-east freeway-busway project that is taking place through my electorate at the moment, Mr Mario Furlan and his mother, of Eight Mile Plains, have got to put up with a third attempt to get an off-ramp right for the south-east freeway onto the Logan Road at Eight Mile Plains. Each time the state government embark upon a realignment of the road they crib a bit more of Mrs Furlan’s land and crib a bit more off again.
Those opposite will run around and say they are the great protectors of the environment, but it is extraordinary that in the first attempt to get the off-ramp right, which comes out onto what is left of Priestdale Road at Eight Mile Plains, they filled in the natural watercourse. They actually put landfill into the creek. As a result, what was a creek and waterway, a tributary of Bulimba Creek, has a 90-degree dogleg in it. I have no doubt, whatever your belief is, that God did not create the earth with a lot of 90 degree doglegs in natural watercourses, for good reasons. But the Queensland Labor government know better than the Almighty on these matters. What is extraordinary is that with the third attempt on this they are now talking about moving that watercourse even further away from what was its natural course—

Mr Anthony interjecting—

Mr HARDGRAVE—That is correct, Minister. Yet the opportunity exists, if they care to listen to local residents, to actually reinstall the natural watercourse by digging out the landfill they put in there and putting in a culvert, and not having to take more of Mrs Furlan’s property. There have been attempts to write to the Minister for Transport, Steve Bredhauer, who I think is probably one of the worst ministers in the Queensland government, and also for that matter to Peter Beattie, the Premier of Queensland, who flicks it straight to Steve Bredhauer every time. On each occasion the minister has followed the Premier’s lead and simply ignored the views of the Furlan family. They are a family who have lived a simple existence on this property. They have suffered a greater deal of tragedy than members in this place would appreciate, with Mr Furlan’s father being murdered at a Brisbane City Council bus depot a few years ago for the change that was in his bus driver’s change tin. It is extraordinary to me that the Queensland government will not even listen to the Furlans’ quite reasonable series of requests on this matter. They have simply said that it would cost $400,000 to do what the Furlans ask, which is to reuse the old watercourse, to put in a culvert on the third attempt to get this off-ramp right. They have been told without any qualification, ‘It is $400,000; go away.’ I am calling on the Queensland Premier to get decent. It strikes me that it is not good enough just simply to write back and offer a figure, and flick it that way. The $400,000 needs to be quantified in a far more direct way. They need to subtract from it the cost of rebuilding parts of Priestdale Road at Eight Mile Plains. They need to assess the cost of land acquisition and they need to factor it into this $400,000 and justify where they got the $400,000 figure from. I have written to the Premier and asked him to do that. I raise it here because, as I said at the outset of my speech, the money that comes from the matters before us today goes to other levels of government. Therefore the way they spend the money we give to them, the style of the decision making that they undertake and the lack of consultation that they embark upon are all issues which should be raised in this place. I think we all expect some accountability and credibility from other levels of government and it is my role as a federal member, somebody effectively representing the people in my electorate, to demand that we get that accountability and credibility at every juncture.

Mr SPEAKER—Before I call the honourable member for Holt, I remind the House that this is the honourable member’s first speech. I ask the House to extend to him the usual courtesies.

Mr BYRNE (Holt) (10.31 a.m.)—Mr Speaker, it is a privilege to rise today to give my first speech in the people’s house at this time. I can think of no better time to be elected to parliament and no greater electorate to have the honour and privilege of representing than Holt, a community in which Labor values run very deep. I would especially like to thank the voters of Holt who supported me in significant numbers at the by-election on 6 November last year. However, like many of my colleagues here and in other great representative chambers across our nation, I know that this support had everything to do with the fact that the initials ‘ALP’ were alongside my name on the ballot paper. Our party not only is the oldest political party but is the strongest. It is part of our national fabric. Time and time again when the chips are down the Australian people look to the
ALP to rebuild, to re-energise and to renew the Australian dream. I would like to thank the Australian Labor Party for endorsing me as its candidate in Holt and allowing me the opportunity to speak out for the local community and the challenges it faces and the solutions that will help us through them.

I am here at a time when Australians are again looking for solutions to problems that are tearing at our social fabric, a time when the community is experiencing a crisis of faith in government, particularly in the regions and outer suburbs of this country. This is at a time when the stakes for our community have never been greater and the threats to families have never been worse. The opportunities for Australia to grow and prosper have never been greater than they are today. It may well be that the last century was the American century. The United States emerged from isolationism to assert a strong and, in the main, reasonable leadership role in the world in areas such as regional defence, information technology and the opening up of the international economy. Why can’t we here in this region aspire for this century to be the Australian century, 100 years where the great potential, the tremendous promise of Australia, is manifested in achievement, manifested in pursuing all the opportunities of a new economy, manifested in all Australians participating in the information technology renaissance, with access to this information in all Australian living rooms, not just in a select few, manifested in us playing a key collaborative role in the region as defenders of freedom, democratic values and human rights—universal, not just Australian, values?

Our local economy, hit so hard by the opening of competition through the removal of tariffs, cannot be allowed to miss out on the great hope of the New Economy. The information age may be the talk of the town in Sydney and Melbourne but it is out of reach for most families in Holt, many of whom have described their working lives to me in a manner that is most eloquently summed up in a poem written in 1892 by Henry Lawson:

They lie, the men who tell us in a loud decisive tone
That want is here a stranger, and that misery’s unknown.

. . .

My windowsill is level with the faces in the street.
Drifting past, drifting past
To the beat of weary feet.
While I sorrow for the owners of those faces in the street.
And cause I have to sorrow, in a land so young and fair.
To see upon those faces stamped the marks of want and care.

I believe many of those faces of want and care will decide that the time has come for a change. It has happened before throughout our history. They have done this before in times of need. They did so with Curtin and Chifley during the dark hours of World War II and the aftermath of postwar reconstruction. They did so when they chose to socially progress the nation with Whitlam and when they chose Hawke and Keating to internationalise and progress the country economically. They will do so again when they turn to Kim Beazley in a bid to address serious issues of inequality, a sense of exclusion, of being locked out by the big end of town, the loss of a sense of community and economic hardship that will only be exacerbated by the introduction of a GST.

I am particularly fortunate to be following in the footsteps of three great Labor members who represented the electorate of Holt in the past, those being Max Oldmeadow from 1972 to 1975, Michael Duffy from 1980 to 1996 and Gareth Evans from 1996 until last year. I have the great pleasure of being able to work with Max Oldmeadow, who continues to reside in the electorate and plays a vital role in his support for community based agencies in Dandenong. I will continue to value and draw on his patient advice and counsel in the years to come.

I also acknowledge Gareth Evans, who left this place last year and has recently taken up an appointment—as President of the International Crises Management Group in Brussels. There are very few people I have met in my life who I would characterise as persons of substance. Gareth was one of those. The en-
ergy, drive, resolve and dexterity that he displayed as Minister for Foreign Affairs has previously been well noted in this place and should act as a template for all those who contemplate assuming this role in the future.

I was fortunate to be the last person elected to this federal parliament in the last century and the first to give an inaugural speech in the next. I have been elected at a time when the standing of politicians in our community has reached a new low. But at the same time the community is crying out for governments made up of these very same politicians to address serious fault lines that have emerged in the structure of our community—fault lines between the have and the have-nots, the employed and the unemployed, the sick and the well, employers and employees, the rich and the poor, and most recently the divide between the city and country, city and regions and city and outer suburbs.

These fault lines are like tectonic plates moving apart. They are, in fact, threatening to tear the country apart. These fault lines are demonstrating themselves in areas such as the massive uptake in antidepressant and tranquilliser prescriptions in the past couple of years. They are showing in ways such as the unacceptable upward spiral of youth suicide, showing in the rising incidence of family breakdowns and in rising crime, and showing in the heroin epidemic which is literally sucking the life out of the young and excluded in our community. It is an epidemic where people are dying within some hundreds of metres of my electorate office.

Our community has 800,000 kids growing up in families where no-one has a job. This is not much smaller in size than the city of Adelaide. Over 200,000 Australians have been out of work for a year or more; 105,000 Australians are homeless. All of this is happening in our country at the end of the 20th century. There are too many Australians who believe that governments and politicians have abandoned them. There are too many who are suffering a crisis of confidence in the institution of government and its capacity and willingness to provide what we all believe are essential services, such as health, education and welfare for the disadvantaged.

In addition—and this was an incredibly strong sentiment when I was doorknocking in the Holt electorate during my by-election campaign—the economic recovery has failed to deliver benefits to families and working people. Many of these people told me that they were labouring under excessive personal debt to enable them to do the most basic things, like fund their children's schooling, pay for mortgages or just get through the week paying bills. I fear for the many people in my electorate that I doorknocked when interest rates rise again. They were angry that they were working so hard but feeling like they had received so little. They were angry that they did not have as much time to spend with their families as they wanted and did not have time to enjoy their lives out of work. They were apprehensive about what the future held and angry that the government just did not appear to give a damn about them or their lives. Not only are they disillusioned about the vacation of government from the community, they also believe that those who are socially disadvantaged are being trivialised and demonised by the same governments and policy makers whom they trusted to provide services to the community.

There is a pervasive sentiment that sections of our community are being driven against each other for political ends. This cannot be allowed to continue, for if we do nothing in this place and out there in our electorates this community sentiment will corrode the country. Governments who practise the politics of division unwittingly unleash dangerous currents of violence and hate, much of it against innocent victims. They precipitate a dangerous rent in the social fabric of a community which goes against everything we stand for as Australians, particularly with inherent belief in fairness to all within our community. We have all seen the ultimate result of this dark form of politics spewing venom and bile and messages of hatred in this place. It is a dark stain on this country's history when people in my electorate have been afraid to walk the main
streets of Dandenong and Springvale South because their names are not Smith, Jones or Hanson. They call this dark form of politics wedge politics; I call it un-Australian. I say it should have no place in this country.

At the same time as there is this demonisation by government, there is a strong belief that governments are designing policies for the selected few, not for the many. These are policies designed for the inner cities of this country rather than for the rest of it. This is exacerbating this sense of disillusionment further, further increasing these fault lines, particularly in my electorate and, I believe, in the rest of the country. They do not believe that there is a sense of essential Australian fairness in government when it is skewed towards High Street, Armidale rather than Maramba Drive, Narrewarren. They have been disenfranchised and their sense of powerlessness and frustration is not being helped by images of arrogance and lack of concern about economic policy by policy makers and their beneficiaries. A recent example is the media reporting of Westpac traders cheering on TV the latest interest rate rise. This was regarded as insulting by all thinking Australians. What I suspect was just as galling was the banks’ mad scramble to jag up their rates as quickly as possible. If only interest rate reductions were passed on so quickly.

At the same time as I read about these well remunerated individuals cheering, I wondered how many of the people I had doorknocked would begin to find it difficult to service their mortgages or to pay school fees, or to pay their gas, electricity and telephone bills, or to pay their car registrations—even their food bills. How much investment in my region and in the country would be halted and how many jobs would be lost? People are concerned about what they view as a callous disregard by policy makers and governments about the effects of their policies on those who live in the outer suburbs and regions. These are the very same people who have been buffeted by the profound technological changes and job restructuring that have swept through our country and who have been swept away by the tidal wave of globalisation. It is callousness beneath contempt when policy makers turn on those who have been the victims of these changes, which have wiped out jobs and industries, single them out and tell them that it is their fault that they are in the predicament they are in.

The people of this country believe that it is our job as their elected representatives to provide appropriate community support programs, encouragement and training to our most disadvantaged community members—not to crucify them. If these attitudes of policy makers are not rectified, there will be, without any doubt, more dramatic displays of disenfranchisement and social discord than we have seen yet. I believe that we have seen weather veins of this discord and that it will be one of the major issues that will have to be addressed by governments in the next five to 10 years. What we do in this place will have a profound bearing on whether we can stem this rising tide of community disillusionment and disenfranchisement.

October and November 1999 was a significant time to be a candidate for election to federal parliament. Not only were we having a once in a generation referendum on our nationhood, we were also enduring an interregnum period of state government prior to the election of the Bracks Labor government in another by-election campaign in the south-east suburbs of Melbourne. This unique confluence of events created some uncomfortable situations, like the time I doorknocked in Narrewarren. The lady at the door greeted me very enthusiastically. She was fulsome in her support for me and was looking forward to seeing me in the new government. I was incredibly heartened until she asked me how my campaign for the state seat of Frankston East was going. But mostly it provided me with one of the richest experiences of my life. The people of Holt welcomed me to their homes, and they did not complain when I arrived on their doorsteps at all times of day and night. They did not object when I greeted them at shopping centres on weekends. They were welcoming and encouraging when I appeared at train stations when they were going to and coming from work, sometimes at ungodly hours like 5.30 in the morning. I have had many experiences in different electorates in the country. I have never experienced the openness and tolerance that was
extended to me during this campaign. It says much for the quality of the people who reside in my electorate.

Let me tell you a little about this great electorate. Its centre lies 30 kilometres south-east of the Melbourne CBD in the suburb of Dandenong. Dandenong is truly Melbourne’s second city, with an estimated $40 million-a-week retail turnover. It has a very high proportion of tradespeople and labourers, some 28 per cent of its work force, but one of the lowest proportions of professional white-collar workers, at nearly 14 per cent. This compares interestingly to something like 44 per cent of white-collar professionals in the federal seat of Higgins.

Manufacturing is the key employment source in Holt, accounting for 30 per cent of its work force. This is the highest level in the country. Holt is the manufacturing heartland of this country. Many of these manufacturers are seeking a government with vision and will that will bring the next GMH, or its new manufacturing equivalent, to the electorate. It is fascinating to note that, of the 1996 census ranking of the 20 top electorates which had a high proportion of manufacturing as the basis for employment, 19 were held by the ALP and one was held by the coalition. The one seat that was held by the coalition in 1996, Kingston, subsequently fell to the ALP in 1998 and is now very ably represented by my colleague David Cox.

Holt also has one of the lowest proportions of government employees in the country, at some 10.3 per cent, which is particularly interesting given that it has a high migrant population in need of government services. Additionally, most people, some 94.7 per cent of the working electorate, are employees, not employers. This again is one of the highest proportions in the country. It is a seat where the median age is about 30 and where approximately 20 per cent of its residents are on some form of social security assistance. A large percentage of the electorate have recently purchased homes. It also has a large number of young families who will need to access services such as health and education in the coming years and will need to find jobs that will have to be generated in the new economy.

This is one of the key electorates that are sensitive to interest rate rises and inflation. If interest rates continue to rise, as we all anticipate before or after 1 July this year, my electorate will disproportionately feel the effects. What support will there be for those in my electorate? The people of Holt are not hopeful, particularly if the government’s actions in the latest round of Job Network tenders are a guide. Whilst the seat of Dunkley, held by my Liberal Party colleague Bruce Billson, which has an unemployment rate of 7.8 per cent, was awarded 16 Job Network sites—up from nine the last time around—my electorate, with an unemployment rate of eight per cent, received funding for two sites, down from three last time. What does this say about the priorities of this government?

Holt is one of the most ethnically diverse electorates in the country: some 140 different nationalities, or three-quarters of the world’s countries, are represented in my electorate. While 42 per cent of those in the electorate were born overseas, another 20 per cent of the electorate are children of one parent born overseas. This diversity provides an electorate of great dynamism, vibrancy and richness. It is a mixture of peoples that works as it does nowhere else on earth. There has been much talk recently, particularly during the referendum debate, about the national identity and what it means to be Australian. If you look at Holt, I think you will find the answer to who we are and where we are going as a community. If you ask me what it means to be an Australian, I will ask you to come down to the Dandenong markets on a busy Tuesday, Friday or Saturday and I will show you what it means. I will show you what it means to be Australian in the face of the Somali woman shopping for groceries, in the face of the elderly Vietnamese gentleman buying fish at the store and in the faces of the Afghani family buying fruit at the stalls. People from all over the world who come to this marketplace are being shaped by and are shaping our land.

No-one comes to this place without the support of many people. It is impossible to thank everyone who has helped me, but I certainly thank all of those who have been with me, particularly, in times of need. There
are a few that I would particularly like to single out and thank. First and foremost are my wife, Debbie, and our two beautiful children, Nicholas and Josephine. Your love has sustained me and nourished me. I come to this place a more complete person only because of you. I will do everything I can in this place to justify the faith you have in me to do what is right for our community.

To Michael Donovan in particular, Victorian secretary of the shop assistants union, go my heartfelt thanks. Without your support and encouragement I would not be here. I also thank Joe Debruyne and Don Farrell who started me on this path many years before. My thanks go to Senator Jacinta Collins for her tolerance and forbearance when I worked on her staff and to three friends who have always been there for me in times of ill and good: Senator Stephen Conroy, David Feeney and Andrew Landeryou.

I stood for the Labor Party because our party is committed to giving the Australian community a voice. We are only as strong as our weakest link. If we allow hundreds of thousands of Australians, if not millions, to live thinking that their voices will never be heard just because they do not live in the inner cities of Sydney or Melbourne, we weaken Australia. If we allow tens of thousands of kids to live without hope of a job or a decent life, we not only condemn them to lives of missed opportunity, we weaken Australia. For all that this country has achieved—for all our wealth, our national pride and our great democracy—we must all reflect on this fundamental truth: we will be judged one day on how we treat the most disadvantaged among us. There is no avoiding it; we cannot escape it. Be it young Aboriginal prisoners or ripped-off textile workers, our obligation to them and our obligation to ourselves is to provide nothing less than an equal opportunity for all Australians.

In closing, if I were asked by someone why I stood for parliament, I would answer in these words from Robert Kennedy after George Bernard Shaw:

Some men see things as they are and ask why. I dream things that never were and ask why not.

Debate (on motion by Ms Worth) adjourned.

**AUSTRALIAN WOOL RESEARCH AND PROMOTION ORGANISATION AMENDMENT (FUNDING AND WOOL TAX) BILL 2000**

First Reading

Bill presented by Mr Truss, and read a first time.

Second Reading

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (10.51 a.m.)—I move:

That the bill be now read a second time.

By 3 March this year, wool growers throughout Australia will have had the opportunity to vote on the types of business services they require and the money they are prepared to invest in the service delivery arrangements for their industry in the future by participating in WoolPoll 2000. Specifically, WoolPoll 2000 gives growers the opportunity to vote on the nature and level of collective R&D, innovation and marketing services required to support their wool businesses.

Poor prices and low demand for wool over the last decade have resulted in falling wool production and difficult times for wool growers. The government is well aware of the difficulties being experienced and the frustration wool growers feel about the future of their industry and what they need to do to improve their commercial viability.

In response, the government appointed the Wool Industry Future Directions Task Force in December 1998, chaired by the Hon. Ian McLachlan, AO, to define the issues facing the industry and to identify appropriate responses. The majority of the task force recommendations in the report released in June last year were for individual growers to understand and respond to, and it urged growers to take direct responsibility for securing the future of their own businesses and the marketing of their wool. Some of the recommendations were for the industry collectively, and several invited government responses.

The recommendations the government is responding to with this bill are those relating to future industry service provider structures
and the statutory levy arrangements, with a view to adopting a more commercial approach and greater accountability and responsibility to the industry it services. The government believes this is best achieved by placing greater responsibility for the future directions of these activities in the hands of a commercial board accountable to levy payers, preferably under a Corporations Law company as recommended by the task force.

The main purpose of this bill is to allow for the smooth transition from WoolPoll 2000 into the second stage of wool reform; that is, to establish by 1 January 2001 the most appropriate structure to provide the services wool growers decide they want the successor to the Australian Wool Research and Promotion Organisation, AWRAP, to provide. The amendments contained in this bill will allow AWRAP to support this process, and also enable an early response to the WoolPoll 2000 outcome.

The bill’s provision for AWRAP to facilitate and fund the reform process is similar to that inserted into the Wool International legislation in 1998 which enabled the successful conversion from the statutory authority Wool International to the Corporations Law company WoolStock Australia Ltd.

The second stage of the reform process will involve the consideration of appropriate delivery structures to support those activities chosen for the new company by wool growers in WoolPoll 2000.

While the government has yet to finally decide on the actual mechanism for managing this second stage, the successful involvement of the Office of Asset Sales and Information Technology Outsourcing in the establishment of WoolStock Australia Ltd set an encouraging precedent.

An interim board will be established to work on the vision, goals and business plan for the new organisation. It is intended this board will have strong and independent commercial skills, as well as wool industry expertise.

A wool grower advisory group will have access to the interim board and will be able to ‘workshop’ issues arising from findings of the commercial and legal advisers who will be conducting the normal ‘due diligence’ and other processes involved in exploring the options for the new structure and levy funding arrangements. This will, therefore, provide the maximum opportunity for the industry to put its views forward on the structure, and to work closely with the interim board in developing the business plan for the new entity.

The government, in taking the final decisions on the new arrangements, will meet its responsibility for ensuring appropriate accountability to the parliament for the use of levy funds.

The current legislative framework governing AWRAP only allows wool taxpayers—that is, wool growers—to vote on a particular rate of wool tax. There is little scope to pose more detailed questions, or options, regarding what services wool growers want in return for their wool tax, and indeed how much wool tax they are prepared to invest in those services.

The amending bill will overcome the requirement for AWRAP to undertake a statutory wool tax ballot, with all its limitations, in order to change the current wool tax rate. They will allow the government to change the wool tax rate after giving consideration to support within the wool industry for a particular rate of wool tax. WoolPoll 2000 is the vehicle being employed to gauge that level of support.

Should industry decide on a tax rate less than four per cent, the amendments will also allow the government to phase the wool tax rate down. This might be necessary to allow AWRAP to meet the adjustment costs of moving to the new arrangements.

The amendments contained in this bill signal a further step towards reducing the level of government involvement in wool industry arrangements, and pave the way for the real ongoing reform of the wool industry statutory arrangements and following the successful privatisation of Wool International. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Bevis) adjourned.
DAIRY INDUSTRY ADJUSTMENT BILL 2000

First Reading

Bill presented by Mr Truss, and read a first time.

Second Reading

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (10.58 a.m.)—I move:

That the bill be now read a second time.

In April 1999 the Australian Dairy Industry Council presented the industry’s case to the Commonwealth government that, in their view, deregulation of the domestic market milk arrangements was inevitable. This view was based on their analysis that commercial pressures would undermine any regulatory regime and that it was in the interests of the dairy industry in competing against imported product and in being able to expand into the vital export sector.

The industry proposed a package of assistance, coupled with the need for systemic and simultaneous deregulation of the market milk sector to enable structural adjustment within the industry with least possible disruption.

The government responded to the industry’s proposal on 28 September 1999, announcing details of a structural adjustment package which would be implemented should all states deregulate their market milk schemes. This proposal represents the single largest deregulation and adjustment process of any rural sector.

Commercial pressures for deregulation have been growing in the dairy industry for a number of years. This is evidenced by the extent of merger and acquisition activity, the impact of UHT milk on domestic market milk prices and the growing dependence of the dairy industry on exports, which last year brought more than $2 billion to the Australian economy.

All state dairy farmer organisations have accepted that deregulation is inevitable.

In December 1999, a plebiscite of Victorian dairy producers, who collectively represent 63 per cent of all milk produced in Australia, voted overwhelmingly to accept deregulation—84 per cent of all dairy farmers voted and 89 per cent of those recorded their views in favour of the deregulation proposal.

The Victorian government in responding to this overwhelming mandate announced it would proceed with deregulation. Polling in NSW indicates support of 65 per cent of producers.

The Senate committee report into deregulation of the Australian dairy industry which reported in October 1999 concluded that ‘sooner rather than later the market would force deregulation’ and that ‘a soft landing is preferable to a commercially-driven crash’. The Senate committee’s report has assisted in providing informed debate on the deregulation issue.

There is general agreement that if deregulation is to occur it needs to be done in an orderly way. The Commonwealth’s package provides a substantive response to the industry’s request for support while it adjusts to deregulation, and responds to the recommendations in the Senate committee’s report. I will now outline the detail of this $1.74 billion package.

Against the background that market milk arrangements were state run systems and the responsibility of the states, the Commonwealth responded in September 1999 with details of a structural adjustment package it would be prepared to implement should all states deregulate their market milk schemes. This proposal represents the single largest deregulation and adjustment process of any rural sector.

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Against the background that market milk arrangements were state run systems and the responsibility of the states, the Commonwealth responded in September 1999 with details of a structural adjustment package it would be prepared to implement should all states agree to deregulate their arrangements.

The condition the Commonwealth imposes upon the package that all states must deregulate arises from the Commonwealth’s obligation to ensure that all dairy farmers across Australia are treated fairly and equally, and the necessity to avoid significant market distortion. The government was also mindful of the fact that introduction of a levy of 11c per litre on consumers in states which maintained high regulated market milk prices would place an intolerable burden upon consumers in those states as well as provide an adjustment package to those producers who still benefited from high regulated prices.

I wish to emphasise a very important point. The levy of 11c per litre will commence on 8 July 2000. There is no other introductory date option because to do otherwise would cause major disruption and un-
certainty in the dairy market and to consumer prices. The Commonwealth Domestic Market Support Scheme terminates on 30 June 2000. Deregulation in states needs to have effect from that date.

Any state which does not meet the deadline of 30 June to deregulate will be responsible for denying producers across Australia timely access to the benefits of the package and will risk an unacceptable impost upon consumers of milk in that state. It will be at their peril for them to ignore the critical timing deadlines we all have to accept as immovable.

This bill provides for payments to producers to commence from a date to be fixed by proclamation. I would intend that such a proclamation would be made as soon as the government is satisfied that appropriate deregulation arrangements have been made by all states. Hopefully this will be possible by July 2000 but, if it is not, entitlement rights will, in any event, accrue from 1 July regardless of the exact date of commencement of the payments.

This package is not about providing compensation for removal of quotas and regulation, or about providing income support. The adjustment flowing from this package will lead to better industry performance than would otherwise be possible and which in turn will assist in maintaining and, in the long term, increasing job opportunities and incomes in regional dairying areas.

To ensure the focus is on structural adjustment the government is requiring that each producer undertake a farm business assessment before they are eligible for a payment. While these assessments will remain confidential to each producer, their preparation ensures that the producer has fully considered the impact of deregulation on his or her individual enterprise, with the benefit of independent, expert financial advice, and taken their own decision on the most appropriate response.

Impact on regions

Before I turn to the detail of the bill and the specifics of how this adjustment assistance is to be delivered to producers, let me briefly point out some key facts about how regions will benefit, for this package is not just for dairy farmers.

Deregulation without a package would be devastating for some regions. What the package does is assist to sustain the viability of the dairy industry in those regions by maintaining viable dairy enterprises, with the subsequent maintenance of employment. The essential service industries which support dairy farm enterprises will also be better able to remain viable because of the survival of their customers. Rural communities will be provided with a major, and real, contribution which will help maintain the basic fabric of their economies.

Let me give substance to this. It is estimated that Western Australia will receive $108 million, South Australia $127 million, Tasmania $76 million, Queensland $220 million, New South Wales $337 million and Victoria $765 million from this package.

As examples of regions where dairying is concentrated, the Gippsland region of Victoria, the North Coast of New South Wales and south-east Queensland will receive over $220 million, $100 million and $166 million respectively. These are very significant injections to regions which would otherwise suffer the impact of commercial market restructuring without support.

Structural adjustment payments

The Dairy Industry Adjustment Bill 2000 provides the framework for two programs which will be the delivery responsibility of a new Dairy Adjustment Authority established for this purpose.

A Dairy Structural Adjustment Program will provide in total $1.632 billion to producers based on their deliveries of manufacturing and market milk in 1998-99. These payments will be calculated for market milk deliveries at the rate of 46.23c per litre and for manufacturing milk on a fat and protein basis with a national average of 8.96c per litre. The higher payment available for market milk reflects the premium associated with market milk delivery under the current regulated arrangements. Payments will be made in quarterly instalments over eight years and are transferable to primary producers.
To be eligible for payment under the package producers must have had an interest in an eligible dairy enterprise on 28 September 1999, the date of the government’s announcement of the package. Where a producer can show that due to severe and abnormal circumstances deliveries in 1998-99 were 30 per cent or more below the average of the previous three years, the authority may consider providing a supplementary payment.

In addition, it is recognised that there may be a few producers who were dairying in 1998-99 and remain in the industry and yet, for one reason or another, do not meet all the criteria for a standard entitlement. In such cases the authority would have some discretion to consider their claim and may allocate an entitlement based on their ‘anomalous’ circumstances.

It is the government’s intention that all eligible participants in the industry—owner-operators, sharefarmers, lessees and lessors—share these payments. The entitlement determined for each party will reflect their share of the revenue received from milk sales from the enterprise in question as at 28 September 1999. Consideration will also be given to the extent to which each party contributed to the enterprise. For example, where a party contributes elements considered essential to achieving access to the market milk premium, such as quota or, in its absence, land and livestock, they would be eligible to share also in the premium payment associated with the market milk payment.

The authority will be closely examining sharefarmer arrangements to assess whether they meet eligibility requirements. It is not intended normal employer-employee type arrangements, or payment for service contract arrangements, will create an eligible interest in a dairy farm enterprise. In leasing arrangements, the lease payment will be used to determine the share of income from milk sales.

It is also the government’s intention that payments above $350,000 flow only to those who are primarily dairy producers. To achieve this objective, claimants for amounts in excess of $350,000 will need to verify that more than 70 per cent of their income is derived from dairying.

Exit from dairying

While the package is basically designed to provide adjustment assistance to dairy farmers who are potentially viable and profitable suppliers of milk after this transition, it also addresses the needs of some farmers who may need to seriously consider leaving the industry. It is not intended that entitlement holders will be required to remain involved in the farm which generated their entitlement and they can exit and continue to receive their payment stream or dispose of it to another primary producer. Equally, sharefarmers would be in a position to invest in their own enterprise if they so chose.

The package also includes a specific $30 million Dairy Exit Program to allow farmers who choose to leave their farms and agriculture to do so with some dignity and prospects for the future.

The exit program will run for the first two years of the package and will provide payments of up to $45,000 tax free. Conditions for an exit payment will be the same assets test and eligibility requirements which apply under the Restart Re-establishment Grants of the Farm Family Restart Scheme.

Producers may access this exit payment as an up-front payment or may switch from the structural adjustment program to the exit program within the first two years. Where a producer chooses to switch to exit, the assessed exit payment will be net of any funds already received under the structural adjustment program and only that component taken as an exit payment will be assessed as non-taxable income.

While it is not known how many producers will seek to access the exit program, the government is conscious that the adjustment to deregulation will be particularly difficult for some and farmers will need to seriously consider their options.

The levy

The package will be funded from a levy of 11c per litre on the sale or equivalent transaction of all liquid milk products; these include whole milk, modified milk, ultra heat treated—UHT—milk, and flavoured milk. The details of the imposition of the levy are contained in the accompanying levy imposi-
tion bills. Sales of imported milk will also be covered by the levy, as the levy will apply to all liquid milk products sold domestically at the point of use. Liquid milk products destined to be exported will be exempt.

The 11c per litre levy commences on 8 July 2000 and is expected to run for eight years. The money raised from this levy will enable payments to producers under the package. The levy will also meet all administration and borrowing costs associated with the package—costs associated with collection of the levy, as well as costs incurred by the Australian Competition and Consumer Commission in monitoring of retail price activity. The levy will cease when all payments are made and costs are met.

This bill provides for efficient and cost-effective levy collection arrangements which have been developed in close consultation and with the full cooperation of dairy industry processors.

The 11c per litre levy is not expected, of itself, to lead to increased retail milk prices, with deregulation. While there will be variability between regions, depending on market factors, the farm gate price for market milk is expected to fall towards the manufacturing milk price, with margins expected to reflect distance, environmental and seasonal factors and the ability of producers to negotiate supply contracts with manufacturers. The industry’s estimate is that the deregulated price will fall by up to 15c per litre. The levy is less than this anticipated fall in price to farmers. The ACCC will monitor retail milk prices before and for six months after introduction of the levy to ensure any price changes are in accordance with acceptable competitive practices.

The Dairy Adjustment Authority

A statutory Dairy Adjustment Authority will be established which will be responsible for administration of the package. The authority will be supported in its operation by the Australian Dairy Corporation, the ADC. However, the authority will operate independently of the corporation. The main role of the authority will be to assess applications for payments in accordance with statutory eligibility criteria and to direct the ADC in delivering payments. Decisions of the authority will be appealable to the Administrative Appeals Tribunal. The management of the package will, of course, be subject to the normal Commonwealth accountability, audit and reporting requirements of statutory bodies.

The board of the authority will comprise five persons. There will be two dairy industry members, another two members who have specific qualifications in the fields of business management, finance, legal or actuarial practice—one of whom will be the chair—and a government member. Once the initial assessment of applications has been finalised and the payment arrangements are well established—I presume after about two years—I anticipate the authority will be phased down to a smaller body.

Producers will be given a strict three-month period in which to register their interest in an entitlement. Initially, the authority will endeavour to contact all producers whose names are on delivery records of companies, cooperatives or state milk authorities. During this period, the authority will undertake an extensive public advertising campaign to ensure that there is widespread awareness of the package and to alert anyone who may have an interest in a payment about how they should go about establishing eligibility. Importantly, any application for an entitlement needs to be lodged in this period, as it will not subsequently be possible to adjust entitlements after they have been allocated by the authority.

This package assists producers of all scales of operation to adjust their enterprises to the new market realities. The government is committed to ensuring dairy farmers have the choices and the support either to continue in the industry profitably or to exit agriculture with dignity. The results of this adjustment will be that the Australian dairy industry production base will be more efficient and more competitive and our dairy export prospects further enhanced. Consumers will ultimately benefit from the deregulated market.

I would like to emphasise that this bill of itself does not deregulate the dairy industry. That is a matter for decision by each of the individual states. It is a response to the ad-
adjustment needs which deregulation will inevitably create. I place on record my appreciation of the efforts of dairy industry leaders, particularly Pat Rowley who is recovering at home at the present time from a major heart operation. I note that there are other industry representatives in the gallery. This is a very significant day for the industry and the dairy industry officials and their industry organisations have really worked with great persistence and dedication in addressing the issues of the future of the industry and this bill is, in a sense, a part of the culmination of their efforts. I would like to commend all of those who worked so hard to deliver the package to this stage. I commend the bill to the House. I present the explanatory memorandum.

Debate (on motion by Mr Bevis) adjourned.

DAIRY ADJUSTMENT LEVY (EXCISE) BILL 2000
First Reading

Bill presented by Mr Truss, and read a first time.

Second Reading
Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (11.18 a.m.)—I move:

That the bill be now read a second time.

The purpose of this bill is to provide for the imposition of the dairy adjustment levy only so far as the levy is a duty of excise. This bill is part of a package of four bills that will establish the Dairy Industry Adjustment Program. This bill imposes a levy on leviable milk products as defined in the Dairy Industry Adjustment Bill 2000. The levy imposed by this bill will only be payable according to the Dairy Industry Adjustment Bill 2000, and will be applied on the use and not the importation of leviable milk product. The rate at which the levy will be imposed by this bill will be the same as that imposed by the Dairy Adjustment Levy (Excise) Bill 2000. This bill in association with the Dairy Adjustment Levy (Excise) Bill 2000 and the Dairy Adjustment Levy (General) Bill 2000 will raise the revenue to fully finance the Dairy Industry Adjustment Fund as established under the Dairy Industry Adjustment Bill 2000.

I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Bevis) adjourned.

DAIRY ADJUSTMENT LEVY (CUSTOMS) BILL 2000
First Reading

Bill presented by Mr Truss, and read a first time.

Second Reading
Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (11.19 a.m.)—I move:

That the bill be now read a second time.

The purpose of this bill is to provide for the imposition of the dairy adjustment levy only so far as the levy is a duty of excise. This bill is part of a package of four bills that will establish the Dairy Industry Adjustment Program. This bill imposes a levy on leviable milk products as defined in the Dairy Industry Adjustment Bill 2000. The levy imposed by this bill will only be payable according to the Dairy Industry Adjustment Bill 2000, and will be applied on the use and not the importation of leviable milk product. The rate at which the levy will be imposed by this bill will be the same as that imposed by the Dairy Adjustment Levy (Excise) Bill 2000. This bill in association with the Dairy Adjustment Levy (Excise) Bill 2000 and the Dairy Adjustment Levy (General) Bill 2000 will raise the revenue to fully finance the Dairy Industry Adjustment Fund as established under the Dairy Industry Adjustment Bill 2000.

I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Bevis) adjourned.

DAIRY ADJUSTMENT LEVY (GENERAL) BILL 2000
First Reading

Bill presented by Mr Truss, and read a first time.

Second Reading
Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (11.21 a.m.)—I move:

That the bill be now read a second time.

The purpose of this bill is to provide for the imposition of the dairy adjustment levy only so far as the levy is neither a duty of excise nor a duty of customs. This bill is part of a
package of four bills that will establish the Dairy Industry Adjustment Program. This bill imposes a levy on leviable milk products as defined in the Dairy Industry Adjustment Bill 2000. The rate at which the levy will be imposed by this bill will be the same as that imposed by the Dairy Adjustment Levy (Excise) Bill 2000. This bill, in association with the Dairy Adjustment Levy (Excise) Bill 2000 and the Dairy Adjustment Levy (Customs) Bill 2000, will raise the revenue to fully finance the Dairy Industry Adjustment Fund, as established under the Dairy Industry Adjustment Bill 2000.

I commend this bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Bevis) adjourned.

PRIMARY INDUSTRIES (EXCISE) LEVIES (GST CONSEQUENTIAL AMENDMENTS) BILL 2000

First Reading

Bill presented by Mr Truss, and read a first time.

Second Reading

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (11.22 a.m.)—I move:

That the bill be now read a second time.

The purpose of this bill is to prevent the unintentional increase of two primary industry levies arising from the introduction of the GST and to clarify the meaning of the terms ‘price’ and ‘amount paid’ in the Primary Industries (Excise) Levies Act 1999. The bill excludes the GST from the base for calculating the deer velvet and goat fibre levies.

Section 9-75 of A New Tax System (Goods and Services Tax) Act 1999 defines the term ‘price’ as an amount including GST. In conjunction, section 177-12 of this act attributes this definition to references to ‘price’ in all other Commonwealth acts, unless the specific legislation specifies that ‘price’ and/or similar terms do not include GST.

The deer velvet and goat fibre levies are calculated on the basis of ‘price’ or ‘amount paid’. If there were no legislative amendment, the amounts collected would rise when the GST is introduced because the base used for calculation of that levy will include GST. The following hypothetical situation demonstrates the rationale behind these amendments.

A deer producer sells $5,000 worth of deer velvet. Currently, the five per cent levy on that sale would total $250. After 1 July, the producer sells the same amount of deer velvet for $5,500, assuming of course that there is no adjustment to the cost base and profit margin, and remits $500 GST to the Australian Taxation Office. If the Primary Industries (Excise) Levies Act 1999 were not changed, the levy on the sale would be $275, as it would be calculated at five per cent of $5,500.

To avoid such a situation from occurring, the proposed amendments to schedules 8 and 11 of the Primary Industries (Excise) Levies Act 1999 will expressly provide that the ‘price’ of deer velvet and the ‘price’ of or ‘amount paid’ for goat fibre, for the purpose of calculating levies, would exclude the ‘net GST’ in that amount. The amendments will override the definition of ‘price’ and similar terms as outlined in section 177-12 of A New Tax System (Goods and Services Tax) Act 1999. The same principle will be extended to 12 other levies through amendments to the appropriate regulations.

These amendments have a precedent in A New Tax System (Indirect Tax and CONSEQUENTIAL Amendments) Act (No. 2) 1999, which amended the Wool Tax Administration Act 1964. The wool tax is also calculated as a percentage of the sale price of wool and the amendments passed by parliament have excluded the GST from the base for calculating this tax. This bill will provide similar intent for the deer velvet and goat fibre levies.

This bill is of a technical nature, designed to correct an unintended consequence of the definitions listed in section 177-12 of A New Tax System (Goods and Services Tax) Act 1999 applying to other Commonwealth acts. However, this bill is important, as it will prevent an unnecessary cost increase for deer velvet and goat fibre producers.

I commend the bill to the House and present the explanatory memorandum.
Debate (on motion by Mr Bevis) adjourned.

**APPROPRIATION BILL (No. 3) 1999-2000**

Cognate bill:

**APPROPRIATION BILL (No. 4) 1999-2000**

Debate resumed.

**Mrs DE-ANNE KELLY** (Dawson) (11.27 a.m.)—In December last year, eight months after a submission by Queensland cane growers was lodged with the Commonwealth for a declaration of exceptional circumstances for parts of North Queensland which had been seriously affected by disastrous wet weather, it was rejected on the grounds that it did not meet the guidelines. That rejection was undeniably a very real blow to the industry which in recent years has been the victim of a series of events well beyond its control or influence. As coordinator of the federal National Party sugar industry task force, I was supportive then of that submission and I remain supportive now. Despite the rejection last December, I am sufficiently hopeful that the government will further consider the matter in light of subsequent important developments. Those developments include a very successful visit to my electorate last month by the Deputy Prime Minister, the Hon. John Anderson—something I will speak on later.

By way of background, it is useful that I provide a brief overview of the state of the sugar industry at this point in time. The latest informed predictions for the future of the industry are contained in the 1999 December quarter publication of *Australian Commodities*. World sugar prices are forecast to average US$6.4c a pound in 1999-2000. That is a considerable drop from the 1997-98 price of around US$12.6c a pound. As *Australian Commodities* noted:

The price fall reflects expectations of the sixth consecutive year of increased world sugar stocks, as world production is forecast to again exceed consumption.

The prediction is that, in the face of current uncertainties about future development, there is a 75 per cent probability that the price this financial year will be in the range of US$5.7c to US$7c a pound. Today’s figure is US$5.43c a pound, significantly below the predicted minimum.

*Australian Commodities* also predicted that world sugar production will rise this financial year, to an estimated 132 million tonnes, and that there would be only a modest demand for increased imports. The economic recovery in Asia is expected to produce increased consumption but also increased production, with importing countries such as Indonesia, India and the Philippines limiting the scope for a major increase in Australia’s sugar exports to those countries.

The 1999 crushing season in Queensland has now ended and the yields of sugar and the price for cane have been determined. According to Queensland Canegrowers, sugar levels are well below long-term trends and so are yields, with losses of up to 25 per cent between 1997 and 1999. Queensland Canegrowers has also pointed to the results of the devastating fall in the world sugar price and has estimated that income per hectare has fallen by an unbelievable 41 per cent across North Queensland, with the income effect in some districts representing a loss of up to 47 per cent.

As recently as Monday, the General Manager of Queensland Canegrowers, Mr Ian Ballantyne, warned that recent flooding rains in North Queensland had damaged some 25 per cent of the estimated 10 million tonnes of cane between Ingham and Cairns, an area that produces about a quarter of Queensland’s annual crop. With the current world price of sugar hovering at around US$5.5c a pound, a figure well below the cost of production by even the most efficient and fortunate cane farmer, the industry is demonstrably in need of urgent and sympathetic consideration by both state and federal governments.

I began my comments today by mentioning that Deputy Prime Minister John Anderson had made a very welcome and most successful trip to my electorate last month. During that visit, Mr Anderson met with cane growers and was made fully aware of their difficulties. I believe it is no exaggeration to say that he came away from those meetings much better informed. I am also pleased to say that the Minister for Agriculture, Fisher-
ies and Forestry, Mr Warren Truss, is visiting my electorate this Friday, again to meet with cane growers, and I have no doubt that he also will come away well informed and with a far better understanding of the difficulties that we face.

Can I say with gratitude that it is remembered that Mr Anderson, while he was Minister for Primary Industries and Energy, approved $13.45 million across four years for vital industry research, which looked at studies on low CCS and also at work against pests such as the grey backed cane grub. Certainly farmers, while disappointed that their request for a declaration of exceptional circumstances was rejected last December, are even more resolved to have the matter reconsidered. In that campaign they have my unconditional support, and I do ask that the government agree to a re-examination. The current criteria for the declaration of exceptional circumstances plainly cannot address the plight of many deserving primary producers and needs to be reworked. Frankly, if primary producers can go through three major floods and a cyclone and have a quarter of their produce ruined and still not be eligible, it begs the question: what sort of calamity is required and how desperate do honest, hard-working farmers have to be to receive a safety net?

I know that the minister for agriculture, the Hon. Warren Truss, is certainly sympathetic to the sugar industry and the often harsh realities of life faced by farmers. I am confident that he will give our request consideration and trust that he will rethink the matter of exceptional circumstances and the criteria that apply. In a recent letter to Mr Truss, Queensland Canegrowers formally requested a review of the rejection of their request for a declaration of exceptional circumstances, and they made some very valid points, which I would like to draw upon now. The General Manager, Mr Ballantyne, wrote:

Despite the intimate knowledge that this organisation has of the circumstances of the 1998 and 1999 seasons, we have had no formal contact with the exceptional circumstances process since our initial submission to the Queensland Department of Primary Industries (QDPI). We have not been privy to the QDPI submission, nor the detail of any further communication between State and Federal agencies.

Mr Ballantyne continued:
Canegrowers has been frustrated by its inability to have further input into the process of determining whether the requirements for the declaration of Exceptional Circumstances have been met. We have not have had the ability to have further input after our initial submission and have not discussed the detail and the shortcomings of our submission with the decision-makers. No member of your department or of the RASAC board visited either the Canegrowers office or the affected area. The reasons for ‘failure to meet guidelines’ have never been elaborated on.

These are certainly valid points of concern. My appeal to Minister Truss and to the government is not just to revisit the previously rejected application for exceptional circumstances from Queensland Canegrowers but to give serious consideration to a thorough review of the existing process. It seems to me that this process is in need of an overhaul when, in this case, it took eight months for Queensland Canegrowers to learn of the outcome of their application and then to learn about it via a media statement. I believe both the state and federal governments need to consult to ensure that the process is relevant, transparent and sympathetic and, above all, to ensure that there is regular contact between those making an application and those considering it.

I would like to move now to the visit to my electorate by the Deputy Prime Minister, the Hon. John Anderson. One matter that was raised with him by local cane growers was the possible development of the Elliot Main Channel. This potential project underlines most importantly the long-term confidence that cane growers and others have in the industry in North Queensland. Canegrowers Burdekin Chairman, Mr George Nielsen, and the Bowen Collinsville Enterprise Chairman, Mr David Evans, made a considerable impression on Mr Anderson, and I want to compliment them for their persuasive and thorough submission to him on the Elliot Channel and other matters.

If construction of the Elliot Main Channel does ultimately proceed, it would open up another 15,000 hectares of land between Home Hill and Bowen for cane growing and
would be worth $70 million a year, at current prices. Cane growers have made the point, and I agree with them, that any such project must be carried out only in conjunction with an increase in capacity of the entire irrigation system to ensure that the water entitlements of existing Burdekin irrigators are not jeopardised. Of course, the cost of water from any new project must also be considered as it would be well nigh impossible for cane growers to expand if prices were significantly higher than those currently charged.

These questions remain for the future. However, I mentioned the Elliot Channel for two very important reasons: it underlines most emphatically the fact that cane growers and farmers generally are steadfastly confident in their industry’s long-term future, and it again illustrates the fundamental and realistic commitment that the Deputy Prime Minister and the National Party have to the sugar industry.

I will move to one other matter. I have had quite a lot of response from my electorate to the recent frenzy that the Labor Party has created over the desperately needed assistance to the workers hit by the collapse of National Textiles. The campaign run by the Labor Party is as hypocritical and heartless as it is cold-bloodedly cynical. Initially when that company collapsed, there was a great chorus of demand from the Labor Party for the government to take urgent action to extend aid to the displaced workers. Of course, Labor had to demand this, having been a government that for 13 years of inglorious rule did not lift a finger to put in place a safety net system. The Minister for Employment, Workplace Relations and Small Business, the Hon. Peter Reith, has pointed out that during those 13 long years Labor did not even commit to a national scheme to protect worker entitlements in the event of the insolvency of the employer. Minister Reith, in his statement of 8 February, noted:

The ACTU’s own figures estimate that 17,000 workers each year are not paid entitlements on insolvency, and that the average amount of money owed to workers who are left with unpaid entitlements on insolvency is $7,000 per person. If this is right (and data is not readily available on this issue), during Labor’s 13 years 221,000 workers were left unprotected by Labor, losing some $1.25 billion in unpaid entitlements. Yet virtually nothing was done.

Given this shameful and disgraceful record, I can only wonder why the Labor Party and its leader have the gall to wage a campaign against the Prime Minister and the government for helping the employees of National Textiles. Indeed, the Leader of the Opposition and state and federal Labor MPs from the Hunter Valley, where the company operated, begged, implored and demanded that action be taken by the government to help the workers—help, incidentally, that not one sacked worker received from the Labor Party when it was in office from 1983 to 1996.

It cannot be claimed that the Leader of the Opposition did not know about the plight of the unemployed when he was minister for employment. After all, the national unemployment rate soared to 12 per cent. Do you
know why the Labor Party have raised this matter? It is simply because the Prime Minister’s brother happens to be the chairman of National Textiles. That is why they have taken this up. Mr Beazley demanded that the government do something that he either refused to do or neglected to do while in government, and when the Prime Minister responded to the appeal from the workers in a practical and positive way, there was a hue and cry about some trumped up conflict of interest for the Prime Minister. The Labor Party should stop their posturing and answer one simple question: should the workers who were employed by National Textiles be given assistance as demanded by the Labor Party or should those workers get no assistance?

The Prime Minister assisted those workers for one reason only—they made an appeal to him. In a compassionate way, having met the families, he addressed their concerns—and for no other reason. Knowing the Prime Minister and how honest he is, I think he would have wrestled long and hard with the fact that a family member was, in a very indirect way, involved with the company. But concern for those workers and their families quite rightly overrode other considerations.

The Employee Entitlements Support Scheme, which has been outlined by Minister Reith, is a landmark scheme which for the very first time gives workers who have been dismissed since 1 January 2000 because of their employers’ insolvency, administration or bankruptcy up to $20,000 to make up for unpaid entitlements. As Minister Reith has so rightly stated, this scheme is the most comprehensive extension of the social security safety net since the introduction of superannuation. It took a coalition government to do it—something that no worker, employed or otherwise, should ever forget.

Regrettably of course there has to be some cut-off point. All of us would wish that everything could be made retrospective, but the reality is that no scheme—no legislation—can be made retrospective forever. There has to be a cut-off point, harsh as that may be sometimes. We cannot reach back into history forever, no matter how sympathetic one might be. Obviously the Labor Party did not care about the tens upon tens of thousands of workers who lost their jobs between 1983 and 1996 because their employers went bust, so it is rather late in the day for them to accuse the government of not considering other employees in failed enterprises.

Having spoken to many people in my electorate and having heard their concerns, all decent Australians are appalled by the attempts to smear and besmirch the character and integrity of the Prime Minister over a compassionate decision to help workers and their families at National Textiles. The Prime Minister has done the right thing. I am proud to be part of a government that listens to those who are often left with no options and no assistance. I believe that the landmark legislation that is to be introduced by Minister Reith will be something that this coalition government will be very proud of long into the future.

**Mr ALLAN MORRIS** (Newcastle) (11.45 a.m.)—This is the first week of parliament this year. It is an auspicious week because it marks a dramatic recognition of the failings of this government and its budgetary processes. In the appropriation bills that we have before us, we are talking about a budget of many billions of dollars, but I want to talk about just a few thousands of dollars for individuals. The issue that the previous speaker has been speaking about with regard to National Textiles and the displacement of workers has never been more relevant. In Newcastle in recent times we have seen the displacement of over 3,000 workers at the BHP site. I do not think that most Australians are actually aware that, when someone gets retrenched these days, under this government’s policies they cannot access income support. If they cannot access income support they cannot access job seeking support. There are many people now in the electorate of Newcastle and the environs of the Hunter who were working at BHP who are still serving out their entitlements—in other words, their long service leave, their retrenchment leave, their holiday leave. Most of their cache has to be expended before they can access social security, but if their spouse works they cannot access it anyhow. If they cannot access social security, they cannot access job placement support. In other words, they can go
along to Drake, Employment National or anybody else but they will not get support with getting a job unless they are on social security. The marginalising in this way by this government of hundreds of thousands of Australians who are desperately seeking work and need work is outrageous.

But the more interesting story in the next few weeks is going to be how Centrelink recovers the money from National Textiles workers who have been paid social security in the short term because they had no money at all. As we know, Centrelink can give money to people who are destitute. But when those employees get their entitlements, guess what the first bill will be—to pay back the money that they got from Centrelink, because they are not entitled to it until they serve out all their entitlements and, in some cases, that may be five or six months. So what the government gives with one hand it takes with the other. I do not think most Australians would agree with that—would think that it was reasonable or fair—and I certainly do not think that most Australians are even aware that it is happening.

The other part of this exercise is the use of the Regional Assistance Program. We saw the Minister for Employment, Workplace Relations and Small Business on the Sunday program this week talking about the Regional Assistance Program. He said:

I don’t mind saying we have lifted the priority we are giving to regional disadvantage as it were and programs to meet with it and the fact that the textile industry has particular problems. Now a case by case examination by this government through the regional assistance program is not new. A case by case examination through the Regional Assistance Program is not new? Actually, it is true. The Regional Assistance Program has quite rigid and quite detailed requirements as to how you can access it and the kinds of programs and sponsorship. There are pages and pages of details on how it has to be processed through the area consultative committee and also on sponsorship. There must be other money involved; it cannot be only Commonwealth money. There are also quarterly announcements. There are reams of pages. But, in this case, we have seen the government access this program overnight for $2 million. There was no process, no sponsorship, no proven record—nothing. It was just announced. And the minister blithely says, ‘This is just part of our topping-up program for the Regional Assistance Program.’

There were two kinds of workers at the BHP site in Newcastle. There were those employed by the company on the site, and BHP spent a lot of money helping those people with training programs, job placement programs, counselling, financial counselling—a whole range of things. It was the best we had ever seen. They did those things because the government offered nothing. In previous times that was seen as a public responsibility, but BHP took it on its own shoulders, and I praise them for doing that. But there were about 800 people who worked on the site who were employed by subcontractors who were not part of that exercise. When they were retrenched by their employers they did not get the support that BHP workers got. Minister Abbott was asked by journalists from the Newcastle Herald what was going to happen to the 800 workers who were employed by subcontractors at the BHP site. Mr Abbott said that the government was planning a scheme modelled on BHP’s Pathways program. In other words, the government would do for these people what BHP had done for the bulk of the employees—the 2½ thousand from BHP itself. He said that he had met six members of the Prime Minister’s task force and that he would offer some assistance for those people through the Regional Assistance Program.

This went on for quite some weeks. Eventually, on 9 October, it was reported that there would be federal money to help the region. The minister announced, in conjunction with the area consultative committee, a $229,000 funding program—$229,000 for 800 people. But, mind you, the funding program dealt with things like multimedia, emerging industries and a joint approach to employment agencies. In other words, more than half the funds were for specialist programs and for organisational issues. There was $100,000 to help struggling BHP subcontractors. But it was not for the workers, it was for the employers—the subcontracting
companies—to help them with their businesses. The employees got not one cent. So here we have it: 800 people lose their jobs through a company retrenchment program. They are excluded in the main from all income support until they work out their entitlements. They are excluded from any training programs at all. They are excluded from job placement support. The government promises that it will do something to help, and what did it end up doing? The government gave $100,000 to the employers to help them reposition their businesses.

That was just a few months ago, and this is out of the same program, the Regional Assistance Program, that we have now seen used by the minister and the Prime Minister as a political slush fund. What has happened here is outrageous. This whole program is worth $40 million across the country and yet we have seen $2 million used for 300 employees. The government has not explained how the employees will be able to be trained when they cannot access job placements—so we have this total contradiction of people who cannot get support for job placements being given the equivalent of $6½ thousand each to be trained. What on earth is the government doing? If it is important to have skilled training for retrenched employees, why isn’t that available to all people? Why isn’t that part of the normal system? If it is reasonable to take entitlements away from people, as well as their access to income support because they have to work out their long service leave, why isn’t it reasonable to give them training? What logic, humanity and consistency is there in all of this? This demonstrates more than anything else that the government’s decisions on National Textiles were not motivated by concern for the employees or for good policy. This Regional Assistance Program was used as a political slush fund to try to save grace, and then we have the minister talking a week later about how this was normal! Minister, go back and read your criteria and read about your processes to access this program.

In this financial year the budget allocation was $40 million. Up to date $8 million had been spent across the country and then the government spent $2 million on one single company for 300 people. I am pleased for those people. It is good for National Textiles’ employees that they actually get some help, but the point I am trying to make is that when BHP closed over 3,000 people were retrenched and the government gave BHP not one bit of help, not one cent in direct help for those employees. Three miles up the road, 300 people get retrenched and there is $2 million for training. How do you equate that? What sense of fairness and balance is in that? What policy parameters drove that decision? They cannot exist in any logical context in the same program. Where was the area consultative committee? One did not see its members involved at all in the announcements, yet the minister’s criteria said that the area consultative committee had to manage it and had to be involved.

I come back to Mr Abbott’s comments in August and later in October. In August the federal minister made the announcement in Newcastle that he was going to be doing things, but he actually conceded that BHP workers deserved a better deal because they would have to exhaust almost all of their severance pay before being eligible for job seeking assistance or unemployment benefits. This government’s budget surplus is based on cuts that were made in the budget and in policies back in 1996 and 1997. One of the things that is least understood and yet is the most damaging is the change that excluded people from income support when they were retrenched from their employment. I have had the experience of dealing with dozens of people who have been affected by that. In Newcastle in recent times we have had literally thousands of people affected by it. The way the Job Network changes work means that the budget surplus that has come about as a result of those changes and is being spent by this government is actually the surplus owed to those people. I am pleased that some people from National Textiles got some of that money back, but the fact is that there are literally tens of thousands of people across the country missing out.

In the same context, we have the marginalising of those people who have been re-
trenched and cannot access income support or job placement support. It was anticipated that with Employment National we would at least have a national network of last resort. But what has happened in recent weeks with Employment National does not bear thinking about; the level of incompetent ministerial intrusion and the sheer waste of public funds are just enormous. The government’s announcement of the reduction of Employment National from 1,700 people to 650 across the country has substantial consequences for both job seekers and employees. Members would be aware that most of the Employment National staff came from federal departments after the closure of CES, so many of them were ex-CES officers who put their future into Employment National as a vote of confidence in this government’s Job Network. They transferred across but right now these people are being conscripted. There are redundancy packages being made available not by interview and evaluation but by direction. People who would rather stay are being forced to leave.

In other words, there is no balance in what is occurring. There is no process either, and the systems that are used by the federal department as a normal matter of standard policy have been junked. The government owns a company that operates under rules that the government does support. So the government is demonstrating to the people of Australia that, given its way, this is how it would like to be acting. So you have people being told, ‘You stay in that job or else just resign; of course, if you resign you will lose all your entitlements,’ and the people who want to stay are being told, ‘No, you’re going,’ with no assessment, no evaluation and no interview—sheer conscription. This is the way the government wants to run employment. This is its message to the employers of this country: ignore fairness, loyalty and any sense of mutual obligation between employer and employee; just tell people what they are going to do or not do—full stop, with no engagement. So the people who have transferred from CES across to Employment National in good faith, assuming that their entitlements would actually carry on because they had transferred from a government department to a government owned agency, have now been left absolutely bereft.

The disloyalty shown by the government in this way has been astounding, but it is no different from what they have shown to the normal people of Australia or to other people who have been retrenched. The message to government department employees now is, ‘Watch out!’ Employment National required people to accept enterprise bargaining and separate contracts, so they have no comeback. Their duties can change overnight by direction; their jobs can change overnight by direction. There is no consultation and there is no process.

If one wants to wonder what has happened with Employment National, this decision, more than any other, demonstrates the answer. Governments that manage businesses of that nature in that way, we all know, are bound to have difficulties. That is not the way to generate a satisfactory organisation. It is not the way to generate employee involvement in businesses and companies. Any decent employer, personnel officer or industrial relations officer would know that. So the government is endorsing in Employment National a method of management which is bound to fail. We will see in the years ahead that Employment National will become a drain on the public purse. It will be demonised and blackguarded. It will be harassed around the countryside, not because of what it is doing but because of what it is being made to do. In other words, the ministers who are driving this are driving it into the ground.

We have watched the piecemeal demolition of this organisation, but what is happening in these current weeks—this week, next week and the week after? It is absolutely disgraceful. This government is designing an organisation to cost the taxpayers money. There is no other explanation. There is no management logic that would make people stay who want to go or make people go who want to stay. There is no logic to that. You would normally try to find a fit or at least have some justification in a situation where people’s information is indispensable. There would be a reason. You should say, ‘We need you because no-one else knows what you
know.’ There is none of that. There is no interview. There is no process. There is no evaluation. Employment National is not saying, ‘We need these core experiences.’ They are just being told, ‘Stay or go.’

So why would the government do that? Put that together with the first part of what I was saying earlier about the employees—the contradiction in giving National Textiles employees access to training programs but not to job placement programs. They will get some support for job training or skills training or something—God knows what, because we are not being told what it is—at $6,000 per employee. But, notionally, they will not be able to access job placements. Clearly, what the government is doing should involve job placement as well.

In other words, they are not recognising that retrenched employees should get help with job placements immediately after retrenchment—not wait six months until they work out their entitlements but straightaway. That is the logical thing to do. But they are not doing with National Textiles what would normally have happened under previous governments, including conservative governments. We were not the first government to introduce those kinds of programs; they were there long before us. Governments historically have said that the most important time for an employee who has been retrenched is immediately after the retrenchment, when they are most fresh in terms of their work experience and their self-esteem. This government has said, ‘No, it is not. It is when they work out their entitlements.’

There are inherent contradictions in terms of the National Textiles employees, where they are getting training money but no placement access and no access to income support, and Employment National, where they are directing people to stay or go with no cognisance of skills, no information and no desire for the involvement of those employees. Those two things in both contexts demonstrate contradiction, inconsistency and lack of logic. When you look at that, you say, ‘Where is the policy that drives it? Where is the consistency? Where is the vision of this government for the future of this country?’ And the answer is that there are not any. It is all about political opportunism.

The Regional Assistance Program is a political slush fund being used by the government, as and when it wishes to, for the grubbiest of purposes. The Employment National program is being used to castigate and to demonise public enterprise. It is being made to fail at huge expense to taxpayers, and that is how it will be seen when it goes eventually. These things are grubby measures that demean both the government and the country. This government has seen out its time. It is no longer fit to govern this country. (Time expired)

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Education, Training and Youth Affairs) (12.05 p.m.)—I note that it is seven years and two days since I was endorsed by the Liberal Party and then went on, in less than four weeks, to win in that 1993 election, and I have loved representing my electorate ever since. While I thought I understood it then, the relationship has certainly developed. Today I would like to pay tribute to all those people who volunteer and work for their communities through sporting, community and veterans associations and charitable and environmental organisations. They all work for their local communities, and I congratulate every one of them for that and thank them. I also congratulate those people who were citizens of the year in their own local areas.

I pay tribute to people like Rachel Sporn, who is being honoured this year with a testimonial year for her services to women's national basketball. I acknowledge her great successes. She has been a role model for other young women. I note that philanthropy is alive and well, particularly amongst people like Rex and Basil Sellars. Rex is a constituent of mine, a former Australian cricketer. He and Basil have donated a significant amount of money and have a stand now named after them at the Kensington Park Reserve. The Tour Down Under was an enormous success for Adelaide, and Unley Council hosted the best ever street party.

Of course, there are more people in Adelaide now with full-time jobs. I could talk at length about any of these and the wonderful
people in my electorate, and I have worked hard to represent them. But today I would like to concentrate on another area and note that Australia is made up of people of diverse ages, backgrounds, cultures and languages. Nowhere is this better reflected than within my own electorate. One of the issues that is raised with me by people in my electorate is the harm caused to young people by unsanctioned and illicit drug use. This is an issue that has concerned me for some time, not only in my current role as Parliamentary Secretary to the Minister for Education, Training and Youth Affairs but in my former role as a health professional and Parliamentary Secretary to the Minister for Health and Family Services.

I am only too well aware of the health risks and consequences of unsanctioned and illicit drug use. I use the term ‘unsanctioned’ to cover the use of cigarettes, alcohol and prescription drugs by a person for whom they were not prescribed. The unfortunate reality is that no community is exempt from the problem of drugs. Advances in modern science and technology have led to the development of drugs which have saved lives, cured diseases, improved the quality of life and increased people's lifespan. On the other hand, unsanctioned use of drugs and use of illicit drugs have caused heartbreak and misery for individuals and their families. Drugs do not discriminate. It is a problem that has the potential to hurt all communities, making no distinction between geographical location, socioeconomic background, culture or language, as we can only too easily see by the examples in our own country and those from around the world. I have met with women in my own office in Adelaide and have heard first-hand of their heartbreak and the havoc caused by their children's use of illicit drugs.

The government of which I am a member is a reformist government. The issue of the misuse of illicit and unsanctioned drugs is no longer being swept under the carpet. In November 1997 the Prime Minister launched the National Illicit Drug Strategy, Tough on Drugs. Since its launch, the Commonwealth government has allocated over $500 million to this strategy, and I am grateful to the Prime Minister for his personal commitment to this complex social problem, supported by Commonwealth funding for strategies to tackle illicit drugs. Our children are precious and vital to Australia's future. The government is committed to protecting our young people and so has adopted for the first time a nationally consistent approach to a growing national problem. The government recognises that individual schools and school jurisdictions, both government and non-government, also have policies and procedures for responding to illicit and unsanctioned drug use which are aimed to complement and support Commonwealth measures.

As Parliamentary Secretary to the Minister for Education, Training and Youth Affairs, I am pleased to have responsibility for one very important component of these efforts: putting into place strategies to educate our young people and school communities about the harm of drugs and developing an appropriate national response to drug use in our schools. Total funding for education in schools under the Tough on Drugs in Schools Strategy is $27.3 million over four years. This allocation is being used to enhance school drug education programs and the management of drug related issues and incidents in schools. Approximately $18 million has been allocated over four years to 2002-03 for the Commonwealth Department of Education, Training and Youth Affairs to develop and implement a National School Drug Education Strategy under the education component of the National Illicit Drug Strategy. In addition, as part of the broader package of initiatives agreed to by the Council of Australian Governments, a further $9.3 million is being provided over four years to increase the capacity of schools and school communities to respond to illicit drug use.

On 25 May 1999 I launched the National School Drug Education Strategy, which focuses on supporting preventative school drug education programs. The key message of the National School Drug Education Strategy is that there is no place for illicit drugs in schools and that there is support for school students who want to stop taking drugs. This is about being tough on drugs but caring for kids, their families and the broader school community. This goal is based on the belief
that illicit and other unsanctioned drug use in schools is unacceptable. Specifically aimed at the needs of school communities, the National School Drug Education Strategy was prepared by the National Advisory Committee on School Drug Education after extensive consultation with education, health and law enforcement professionals, parent groups, community groups and young people themselves. When armed with the facts and supported to resist pressures and the short-term temptations of drug use, the majority of young people are capable of making healthy lifestyle choices, resulting in benefits for themselves and the nation as a whole.

Young people today face a daunting array of challenges. From school and further education to securing employment, the emphasis of modern life is on performance, keeping up with the dramatic pace of change and taking on more and more responsibility from an earlier age. These additional pressures, with the increased potency and availability of illicit substances, make some of our young people increasingly vulnerable to drugs. Young people’s belief that they are indestructible can also lead to dangerous experimentation. However, it must be remembered that the majority of young people already say no to drugs or give up experimenting and using drugs without direct or community help. I would like to emphasise that illicit and other unsanctioned drug use is not a major problem in most schools or for most students. However, it has the potential for disruption to families, academic performance, physical development and social integration of young people into the world of adult life.

Statistics show a worrying increase in drug use by school students. Research shows that 55 per cent of 17-year-olds and 41 per cent of parents have tried cannabis. A higher proportion, in fact 38 per cent of young people aged 14 to 24, used marijuana more than any other illicit drug. What most people do not realise is that today’s marijuana varieties can be up to 30 per cent stronger and have very different and more dangerous health consequences. According to a report by the National Drug and Alcohol Research Centre, cannabis in high doses can produce psychotic symptoms, and there is stronger evidence that it worsens schizophrenic illnesses in those who use it daily. Young people need credible information about the health risks of cannabis use. It is important to provide this information in a way that is acceptable to parents yet is not seen by young people as exaggerating the risks.

Use of illicit drugs ranges from abstinence through to exposure, experimentation, occasional use, problematic use and also addiction. Drug use may be associated with other problems in a young person’s life and with a range of other problematic behaviours. Parents, teachers and the wider community should be made aware that drug use by some adolescents can be related to an emerging personality disorder or mental illness requiring referral for a thorough medical examination and assessment. The recent report ‘Australia’s Young People: Their Health and Wellbeing’ showed that over 20 per cent of young people, 23 per cent of males and 18 per cent of females, aged 12 to 16 years of age were found to have some mental health problem. It is an even greater problem amongst young adults, with 27 per cent of 18- to 24-year-olds having a mental disorder. During a 12-month period ending in 1997, just over one in five males and one in ten females aged 18 to 24 were found to have a substance use disorder. For both sexes, alcohol related disorders were most common. These are very disturbing statistics.

As a society, this challenges us to find ways to help young people through these difficult years. It also highlights the importance of early intervention and treatment which can have a dramatic and life changing impact on these young people. Young people should never ever feel that we are giving up on them. The federal government believes that schools are critical places to educate young people about the harm of illicit and unsanctioned drug use and that school communities have a role to play in prevention and intervention.

The National School Drug Education Strategy is about discouraging a new generation of drug users by strengthening educational programs and providing supportive environments which contribute to the goal of ‘no illicit drugs in schools’. The focus is on
educational outcomes by assisting students with drug related problems and deterring the presence and use of unsanctioned drugs.

Under the National School Drug Education Strategy, in 1999-2000 some $4 million was allocated to state and territory education authorities to conduct innovative school drug education activities which encourage good practice. These Commonwealth funds are additional to those provided by state and territory governments and others for drug education activities in schools. The projects being undertaken by state and territory education jurisdictions include initiatives that support school based and peer drug education, parent and community involvement, professional development for teachers and principals, dissemination of best practice and information programs for parents.

Government and non-government schools will all benefit from this funding. Each state has established a cross-sectoral school drug education coordinating committee to develop and manage the projects to ensure the involvement of all school sectors, teacher and professional associations, parent organisations, health and law enforcement agencies and other community groups. In addition, in 1999-2000 the Commonwealth will be commissioning strategic national projects up to a total of $1 million in a number of key areas including research and evaluation on effective approaches to school drug education and meeting the particular needs of targeted groups and regions. While the focus of the education component is on illicit drugs, education and responses for other drugs including alcohol, tobacco, image enhancing drugs and other substances such as inhalants will also be included.

The objective of preventative drug education programs is to prevent the likelihood of experimentation with drugs by providing information about the danger of illicit and unsanctioned drug use and by promoting the benefits of a healthier lifestyle. All young people, particularly school students, need to be informed about the consequences of the use of unsanctioned drugs, with a focus on illicit drugs. Research has shown that, while there are no simple solutions, good connectedness between young people, schools and their local community does help.

While schools cannot be held singularly responsible for keeping students safe, this is an issue which is vital to the wellbeing of young people, and inevitably schools have an important role to play. The Council of Australian Governments on 9 April 1999 affirmed that illicit drugs have no place in schools. The council agreed to strengthen the response to drug use within schools by adopting a plan of national action which explicitly rejects the use of illicit drugs. COAG agreed to an integrated strategy to combat drug use through education, treatment and law enforcement. As I have previously mentioned, the Commonwealth has allocated funding of $9.3 million over four years to increase the capacity of schools and school communities to respond to illicit drug use.

Under the initiatives agreed by the Council of Australian Governments, the Commonwealth is providing resources to help schools develop better ways of addressing drug issues. The Commonwealth is collaborating with government and non-government education jurisdictions to enhance protocols for managing drug use in schools on a national basis. Enhanced protocols will provide a consistent message nationally, especially to parents, about how schools will respond and what help is available if a student does become involved in a drug related incident at school.

A range of supporting measures is currently being developed to underpin the new national approach to managing illicit drugs in schools. Measures include an Internet site that informs the school community, particularly principals and teachers, about the national approach; an annotated bibliography of education curriculum programs and materials for use in Australian primary and secondary schools; enhancements to the Australian Drug Information Network to ensure that it provides sufficient information to teachers, parents and others who work with students, so enabling them to refer students to suitable professional health, welfare and law enforcement services; educational material for schools to build school and community awareness and involvement in addressing
drug problems; and funding and support materials for the delivery of local school community drug summits.

I would like to advise the House that a national interactive satellite telecast will take place on 22 March for principals, teachers and doctors across Australia. The telecast will provide expert advice about drugs and drug related issues involving school aged children. General practitioners are seen to be particularly important as they are ideally placed in the community to provide professional advice to parents and schools on a wide range of drug related issues. They are also well placed to provide early intervention and care for young people should that be required.

The telecast will be delivered not only to heavily populated metropolitan areas but to regional and remote locations across the country. It will bring together for the first time these two teaching and medical professional groups in a way which will help teachers and doctors to form partnerships as suggested by their own professional associations. This partnership approach is very important because we know from research that parents and young people want information and help from their own general practitioners and schools.

As the old African proverb teaches us, it takes a whole village to raise a child. The fostering of a safe environment is a community responsibility and we know that its members turn to its healers and its educators for guidance. Research shows that 92 per cent of parents regard illicit drug use as a problem amongst Australian teenagers, with 66 per cent of parents perceiving it to be a major problem. Additional research show us that 84 per cent of parents seeking help with drug related issues turn to schools and 74 per cent of parents nominate doctors as their first point of contact for information, advice and assistance.

The purpose of the telecast is to promote a partnership approach to drug education and drug issues management within schools and local communities; to contribute to the professional development of teachers and doctors by providing expert advice about drug education and drug issues management; and to disseminate information about federal government policies and initiatives relating to the goal of no illicit drugs in schools.

Today’s world is a vastly different one to the one that most teachers and doctors grew up in. I am aware that teachers and doctors themselves want more information about these issues. The telecast will provide accurate and up-to-date information about drugs and drug related issues so that teachers and doctors can assist parents and students, and so meet their duty of care. It will place these groups in a stronger position to facilitate the transfer of knowledge and information to the broader community, including parents and students, community agencies and the youth sector. The telecast will feature a panel of experts in the fields of health, school drug education and drug use by young people. It will include factual information on the incidence and usage of illicit and unsanctioned drug use by young people, scenarios depicting drug related issues that are common to the school environment, a panel discussion identifying collaborative approaches to dealing with issues raised by the scenarios which will assist doctors and teachers to care for their patients and pupils, questions from the audience and responses from the expert panel, and ways in which the information provided can apply to the development and implementation of individual school drug education and management plans.

The telecast will inform and enhance the work practices of teachers and doctors. It will be made available to over 580 health and education sites around the country and will be widely publicised through a variety of health and education professional associations and communication channels. Letters of invitation will be sent to all schools and surgeries throughout the country. The satellite telecast will be recorded and an edited version of the telecast will be produced for those who are unable to participate in the live delivery and for screenings at local school community drug summits due to commence later this year. The summits will encourage stronger, broader and more integrated community engagement in and support for schools’ handling of drug related incidents and drug education programs. The telecast
will draw attention to their summits and provide information to the relevant professionals before the summits are held.

I would like to take this opportunity to acknowledge and thank the project reference group, including leading educators and representatives of the medical profession who have assisted me with the organising of and arrangements for this telecast and for the expertise that they have provided. It has been invaluable. The school based measures have strong links with the Department of Health and Aged Care’s community education and information campaigns which will commence soon. (Time expired)

Mr KELVIN THOMSON (Wills) (12.25 p.m.)—This appropriation bill deals with a range of appropriations and the first one I want to talk about concerns that for the Australian Taxation Office. The appropriation calls for $118 million to be appropriated for various costs relating to the implementation of the goods and services tax and related changes to the tax system. The major items are $60 million per year to cover increased administration costs arising from the partial removal of food from the GST base and $43.72 million to implement changes to the Diesel Fuel Rebate Scheme and the introduction of the Diesel and Alternative Fuels Grants Scheme. To put that into lay terms, this appropriation is part of the pay-off for the GST. One is there as a result of the Democrats and the other is there as a result of the National Party. Indeed, the public gets to pay for a tax system that 60 per cent of the public do not want. Imagine how successful the Democrats would have been had they announced prior to the federal election, ‘We are the party for a half-baked GST. Vote for us on that basis.’ I doubt that they would have been very successful on that basis. The Australian people were indeed conned and, although they are gleeful now, the Democrats will feel the brunt of that soon enough.

This particular appropriation also indicates the cost that the community will bear in many other ways for that quick and shabby deal. First I want to compare the implementation costs for the GST. If you look at the implementation costs on the side of business, particularly small business, they are a substantial nasty. Ray Regan from the National Tax and Accountants Association said recently in relation to this:

Every small business in Australia will be required to purchase a computer, with money they don’t have, in order to comply with the GST reporting requirements.

The recently released requirements under the GST Business Activity Statement (BAS) will require businesses to complete up to 20 separate detailed and complex GST calculations.

Most small business taxpayers will find it impossible to complete the GST BAS without a computer. In addition, many businesses will also need a computer in order to electronically lodge their BAS.

Implementation costs for small businesses are reputedly of the order of $7,000—that is, if you stay in business. I have heard from one milk bar owner in my electorate that he has decided that time is up for him and he is simply not going to bother. As a result of the GST he is going to close the milk bar.

In exchange for becoming a tax collector for the government, small businesses get to receive the princely sum of $200 by way of voucher. By way of comparison, in order to implement another stage of the GST and take on these additional functions, the tax office is set here to get an extra $118 million. As part of the implementation of the GST, the tax office is getting its resources beefed up. We are told that more officers are going to be employed and this bill is another part of that. But we need to look at what the end result of this is going to be: what it is going to do to the tax office, how it will affect the tax office’s normal functions and how it will affect the average taxpayer.

If you look at the information provided by the government, the ATO should have recruited some 2,200 staff by now to help it with the implementation of the GST. The end aim is said to be a total of 4,000 additional staff, with the ATO saying that about 600 will come from the wholesale sales tax area, leaving a net increase of 3,400 over time. The Portfolio Budget Statement for the Taxation Office listed an increase in the number of staff from 1998-99 to 1999-2000 of 2,072 staff. That is a lot of staff to be hired in a short time. I dare say there is some competi-
tion in the marketplace for staff with expertise in the area of the goods and services tax. This does point to a poaching problem. You have the ATO hiring staff and training staff who are subsequently being picked up by the private sector, having been trained up by the public sector. That is something I intend to keep an eye on.

Let us look at what has actually happened with ATO staff numbers. From the Public Service Gazette, we see that, from 7 October last year until 3 February, 1,189 staff have actually been recruited, considerably fewer than the government has said the tax office needs. And where have these staff come from? According to the Gazette, the split has been 702 from internal transfers and promotions and 487 from external recruitment. So the tax office has been getting 60 per cent of its GST staff from internal sources. That means that the other business lines are losing out and being neglected as a result of the tax office’s new focus on the GST, and tax office staff are being sucked into an ever-growing GST vortex. For example, 400 staff have been taken from the individual non-business tax line. That accounts for over 10 per cent of staff in this area. This is a matter of some concern to all PAYE taxpayers, because these are the people who check off our tax returns and who deal with any issues, problems or queries that members of the public may have. So you find the GST area being beefed up at the expense of the average PAYE taxpayer.

I would certainly hope that the substantial drop in staff numbers of the individual non-business tax line does not lead to a drop in the processing time of taxpayers’ returns. Once again, that is something that I intend to keep a close eye on. Looking at the small business area of the tax office, 600 staff have come from there in order to deal with the GST. That is a matter of some concern for thousands of small business owners, who will now find it more difficult to get non-GST based advice out of the tax office. These positions are not being backfilled so, as a result, both the individual non-business line and the small business line have vastly fewer staff members than they had previously. This is robbing Peter to pay Paul—although, in this case, I dare say it is Paul who is doing the robbing.

On 28 June last year the shadow Treasurer, the member for Hotham, raised a question concerning this topic and was told by the Treasurer that the notion that efficiencies to be achieved elsewhere in the tax office are to fund the GST is completely wrong. If that is the case, why has the individual non-business line of the tax office seen 400 staff go directly to the GST area? Why is it that the small business line has seen 600 staff transferred directly to the GST area? This is a direct transfer from other areas of the tax office to the GST area.

Yesterday I had an answer from the Treasurer to a question on notice. One aspect of my question concerned the number of staff in the tax office in the various states over the last number of years. For example, tax office staff in Victoria have gone down from over 4,100 to 3,100 in the space of two years, that is, a drop of 1,000 tax officers, or 25 per cent. In New South Wales, the drop is even more substantial: from 4,800 to 3,300, a drop of over 1,500 staff—down 31 per cent. Similarly, in Queensland some 680 staff, or 26 per cent of that state’s tax office officers, have been lost. In South Australia, there has been a drop of over 30 per cent and, in Tasmania, a drop of 12 per cent. There is one place where the tax office staff have increased. That is the ACT, where 1,300 staff have been added to tax office numbers—a dramatic increase of 45 per cent.

I have recently commented on the lack of staff in Western Australia as well as the closure of tax office cashier functions in Western Australia and the loss of the ATO’s face-to-face drop-in inquiry service. The figures the government has provided to me underscore a dramatic shift in the tax office away from providing services and checking returns towards centralised GST policy making in Canberra. The goods and services tax is consuming the tax office’s energies to the detriment of both its regional presence and its other responsibilities. Right now within the tax office there is a dramatic shift away from providing services and checking returns towards GST policy making in the ACT.
That process of sucking tax office staff into the GST vortex has gathered even more momentum since the time the Treasurer’s figures date from—31 August 1999. But, since November, we have seen 1,900 staff being recruited by the tax office for GST work. Of those, 1,000 were internal recruits from the small business and individual non-business areas of Tax, whose positions have not been backfilled. So tax office energies have been directed towards GST to the detriment of that regional presence and the other responsibilities which we all expect of the tax office.

Meanwhile, out in the real world, small business is having a terrible time of it, as well as community organisations and charities. In the time remaining, I want to deal with some of those problems. First, businesses cannot get a straight answer out of the government concerning the display of pre- and post-GST price tags. At this time last year—February—responding to the concern that I and others had expressed that the ACCC had only 40 staff to monitor the prices of 1.4 million businesses and that that would allow them just three minutes and 20 seconds of scrutiny per business in the first 12 months of operation, the Minister for Financial Services and Regulation said, ‘No, that does not matter, because there are over 13 million price surveillance officers—the consumers of Australia—who will be monitoring prices each and every day.’ If you want to monitor prices, it might help if you could actually see what the cost of the GST is on your price tag, or at least get some indication of prices before and after the implementation of the GST. Notwithstanding that, we found the Treasurer trying to ban the display of before and after GST price tags. At this time last year—February—responding to the concern that I and others had expressed that the ACCC had only 40 staff to monitor the prices of 1.4 million businesses and that that would allow them just three minutes and 20 seconds of scrutiny per business in the first 12 months of operation, the Minister for Financial Services and Regulation said, ‘No, that does not matter, because there are over 13 million price surveillance officers—the consumers of Australia—who will be monitoring prices each and every day.’ If you want to monitor prices, it might help if you could actually see what the cost of the GST is on your price tag, or at least get some indication of prices before and after the implementation of the GST. Notwithstanding that, we found the Treasurer trying to ban the display of before and after GST price tags, publicly stating that the GST must be embedded in the price, which is of course a code word for ‘hidden’ in the price.

That position was utterly indefensible. Over and again the Liberal Party argues against government interference in retailing and professes its belief in the power of the well-informed consumer. Yet here we had the Treasurer saying that retailers who have made it clear that they wanted to show before and after price tags should not be allowed to do so and that consumers should not be given as much information as is available. Quite reasonably, retailers revolted as a result of this and they raised serious practical issues that would impact on the day-to-day conduct of their business. The government went into a huddle and we had the spectacle last week of Senator Kemp, before the Senate estimates, being unable to tell the senators what was going to happen with pre- and post-GST price tags. He said that was a matter being looked at by the ACCC. He was reported in the Financial Review as being unable to reveal whether the government supported dual pricing either as a measure to inform consumers or to give stores more time to change price tags. The Financial Review quite correctly reported that government policy in this area had been thrown into confusion.

Then the government came out of the huddle saying, ‘We are going to display these price tags for a short time only and, instead of banning it, we are going to make it mandatory.’ This was a complete backflip but, once again, just like their previous position, it posed great practical problems for retailers and was in absolute contempt of the Liberal Party’s oft professed philosophical commitment to minimising government interference in the marketplaces. What the government should have done was to adopt Labor’s position on this where GST would have been publicly identified so consumers could see its impact. But, given the situation the government have got themselves into, we clearly need to make this as workable as we possibly can for retailers and small business. So far the government are doing anything but.

There are a range of other compliance issues which small business has had to deal with in trying to come to terms with the GST. There were revelations that the Taxation Office was looking at charging fees for giving advice and GST rulings. After that was publicly revealed by the Herald Sun the government quashed it. People were given advice that they could not even get the $200 GST vouchers if they belonged to an industry association which had received assistance from the GST Start-Up Assistance Office. That advice turned out to be wrong. It makes it very difficult for small businesses and their advisers to work in those circumstances. In-
Interestingly, the government was unwilling to reveal exactly how industry associations have spent the money that they have received from the GST Start-Up Assistance Office. They have received a $130 million allocation and we are told that details of the subcontracts from these industry associations will not be tracked. Peak bodies that have received funding are calling for dozens of tenders, primarily from accounting firms. Mr Hagan, on behalf of the start-up office, said:

I haven’t collected that information, we’ve not sought to micro-manage the process ...

I think there are some pretty serious issues of accountability here. If a Labor government proposed some massive change to superannuation, for example, and we said, ‘We’re going to give $130 million to the ACTU and we’re not going to micro-manage the process and find out just where this money is going,’ people would express all sorts of concerns about accountability. These issues are significant and the public has a right to know just how this money is being spent.

I also mention that the GST is a nightmare for clubs. Late last year an organisation known as Clubs Victoria, which represents many licensed clubs such as RSLs and bowling clubs, requested and received permission from the ACCC to advise its member clubs that they could add 10 per cent to the cost of post July membership subscriptions to account for the GST. Acting on this advice, Clubs Victoria issued a circular to all its members concerning the application of GST to post 1 July subscriptions. The ACCC then wrote to Clubs Victoria on 16 December saying:

It is incumbent on Clubs, as with any other business, to assess the immediate cost savings attributable to changes in wholesales sales tax and pass those in lower prices to consumers. You rightly indicate in your circular that it will be necessary to assess the actual costs of the inputs prior to passing on the GST to members. In this regard, any overcorrection should be refunded to members.

This means that licensed clubs like RSLs, bowling clubs and the like are confronted with a whole new layer of tax administration. So to comply with the Howard-Lees GST, clubs have first got to guess what reduction in costs might occur due to the removal of wholesale sales tax, then they have to add the GST and see what happens to prices, after which they have to calculate the difference between what they thought would happen and what actually happened. Then they have to refund the difference to the club members. On a $100 club membership subscription that might be as little as $1, but it will take a lot more time and money than that simply to work it all out. Such a burden on community based clubs may well see many of their volunteer executives giving it away under the weight of GST administration. That performance from the government’s watchdog, the ACCC, should concern every community based club in Australia. It suggests that the ACCC’s hotline advice simply cannot be relied upon. Secondly, like the layers of hell in Dante’s Inferno, the closer clubs get to 1 July 2000 the more complex and diabolical the GST becomes.

The other point I would make about the GST concerns petrol prices. It is increasingly dawning on motorists that the city-country gap in petrol prices must logically increase. If you cut the excise by the same amount but then add a 10 per cent GST based on different petrol prices which already exist in city-country areas, it follows mathematically that the gap between city-country petrol prices will increase. Country motorists have been sold down the river on this issue once again by the government.

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (12.45 p.m.)—I rise today to speak on Appropriation Bill (No. 3) and Appropriation Bill (No. 4). I would like to say at the beginning, having sat here and listened to the arguments of those on the other side, that they are having an absolute field day playing with the uncertainties of the general public as we go into something new. They are perpetuating inaccurate distortions in a way that is continuing this scare campaign. I have to say it is very difficult to argue with the hypothetical. They talk about fuel prices, they talk about club prices and they talk about sanitary products. They take each one individually and have a bit of a field day in some sections of the media that are
willing to run these stories. But I have to say that there will be a considerable amount of egg on their faces after 1 July because at that time people will actually start to see the considerable benefits that will be available to the public through personal tax cuts. An average family will have an additional $47.50 per week in their pockets, so there will be a considerable benefit. So, although at this point in time it is difficult to argue the hypothetical, I suggest that after 1 July there will certainly be a very different argument put up by the other side. I am certainly looking forward to that day.

I do not have an opportunity to speak in this place very often on issues pertaining to areas of concern in my electorate, so I thought I would take this opportunity to raise a particular concern that I have had for some time now. It is an issue that has certainly deeply affected me in recent months in particular. At my electorate office in Cairns there is a woman who I will refer to only as Rachel who has made my staff car park her home. She lives there, she sleeps there and she rummages through industrial bins for food and items that she can convert into bedding. In front of my office is Mulgrave Road which is a main arterial road. On a regular basis she actually gets out there and stands naked in full view of the public, in full view of all the passing motorists, while she bashes under the tap. On some nights, to keep herself warm, she lights fires with newspapers in the car park. She sniffs petrol on an habitual basis. She has absolutely no respect for anything or anybody, including herself. She is abused. She is feared and loathed by normal, everyday people who are forced to put up with her presence in the car park. Sadly, I have seen young kids racing down the street throwing stones at her. A number of times I have had to actually go out and intervene. It is a very, very sad case.

Apart from being homeless, hungry, very vulnerable and in a hopeless situation, Rachel suffers a very, very serious mental illness. She is almost in a constant state of psychosis. She yells and talks incessantly to herself, yet is unable to communicate with anybody else or comprehend what is going on in the world around her. As a result, she is constantly in danger from herself and from those other vile creatures, if I can call them that, who seek to take advantage of somebody in such a vulnerable state. Not surprisingly, she trusts nobody. She could not seek help even if she realised that she needed it. My worst fear is that, one morning, either I or somebody from my electorate staff will come in and walk over the body of Rachel lying on our doorstep. In fact, it was not so long ago—about 2½ years ago, from memory—that she was actually abducted from the streets by a bogus security officer who offered her a lift, only to take her into isolated bushland. He raped her, he cut her throat and he dumped her in a nearby tidal drain to die. But she did not die because she is a survivor. The perpetrator is now serving a considerable gaol sentence for his crime. However, I have to say that where he is he has a bed, he has a roof over his head, he gets three meals a day and access to training, education, medical treatment and rehabilitation, and at least he has some hope of a future for himself when he is released. That is a whole lot more than I can say for Rachel who is in a no better predicament today than she was then.

I think, simply put, that Rachel is the kind of problem person that people do not want to know about. Tenants in the building where my office is situated complain to me to do something about it. The landlord has come to me in desperation about the problem. They want me to get her moved on so that they no longer have to put up with her antics, her bad habits and her antisocial behaviour. Quite frankly, I do not blame them. But, by the same token, we cannot blame Rachel either. The blame lies, I believe, in the system that has failed her and failed many like her. I have raised this matter with a number of colleagues and, basically, they say to me, ‘Well, mental health is a state issue. Why don’t you take it up with your state minister?’ Of course, I have. But I do not believe that that is enough. I think that Rachel’s presence around my office in the last six months has served as a constant reminder, to me and to those that have been affected by what we have seen, of a failure of successive governments, both at state and federal levels, to come to terms with dealing with problems of mental health.
Since the 1980s when the groundbreaking Burdekin report was released, the states have elected to go down the path of deinstitutionalisation for mental health sufferers. I am not suggesting that this was not the way to go. I think all of us know the horror stories that unfolded behind the closed doors of some of these mental institutions. There have been stories of neglect, of abuse and of callous disregard for quality of life, and I understand the need for a change of direction in the delivery of mental health care.

My question today is: are we doing any better? It was recognised at the time of the Burdekin report that any movements towards deinstitutionalisation would need to be made in conjunction with increased community based care to meet the demands no longer met through institutions. Whether it is through a lack of will or a lack of resources, this has simply not happened to anywhere near the extent that is needed. We have embarked on the path of deinstitutionalisation with vigour. We have sent people back into the community with absolutely nothing to equip them with regard to skills to cope with and survive in a society which does not understand them and which in many cases is afraid of them.

As a government I believe we have failed in our duty to care for these people and their families. We have an obligation to protect them, to support them and to help them make the transition back into the community to live as independently, as healthily and, hopefully, as normally as possible. I acknowledge that in Rachel’s case if we do not move soon it is going to be too late. This is an issue that authorities have been grappling with for more than a decade. We have to move now. It is a national issue and for too long it has been bounced from one level of government to another, from one department to another. Indeed, my own investigations into Rachel’s past reveal that there was not a single government agency or department in Cairns that was not aware of her plight. But for one reason or another they were unable to offer any assistance. Her case has been pushed from one agency to the next, with the final result being that nobody—absolutely nobody—in Cairns, a city of some 130,000 people, was prepared to take any responsibility.

Police officers have told me that it is not an offence to sniff petrol. They come along almost daily—I sympathise with the police—they evict her from the property and they lock her up in the watchhouse because she is being a nuisance. This is a constant frustration for the police because they are not equipped to deal with these sorts of problems. The next day they have to let her back out and she is back on the streets. So the same problem exists. She has been admitted and assessed by the Integrated Mental Health Unit at the Cairns Base Hospital but, once again, nobody can make her seek treatment. She can walk out the door any time she pleases. As is the case with drug and alcohol rehabilitation programs, nobody can force a person to undergo treatment, even if that person is not capable of making decisions about their own wellbeing.

I understand that the Queensland government is considering a number of reforms of the mental health bill that will go some way towards assisting in the facilitation of early and appropriate access for the involuntary treatment of people with mental illness. We have to address this as an issue right across the board. This is not something that should be left just to the states’ own devices. The federal government, which provides a lot of funds in this area, also needs to take a very active role in dealing with these problems and helping to offer solutions. In the case of anybody suffering as Rachel does it takes a terrible toll on their family and friends, who are doing their utmost to support their loved one, and in many cases without any professional help if that victim refuses to accept assistance.

It would appear obvious to me that the closure of psychiatric hospitals and wards and other designated mental health institutions has left a huge void in the support network available to those suffering a mental illness. There is a desperate need in Cairns, and many other places, I am sure, for some form of supported accommodation with supervision by a suitably qualified person. We cannot expect people living with mental illnesses to make the difficult transition into the com-
munity without a safety net in place to provide ongoing support along the way. Until this is achieved, people with mental illness will continue to be feared and ostracised by communities ill equipped to understand their problems and without the resources or facilities to care for, protect and support them.

We need to move now. I use the example of Rachel, but I have many examples. I will use another example now and, while it may be graphic for this place, I think it is necessary to highlight the extent of the problem. I attended a meeting not so long ago about the provision of accommodation for people with mental illness. I walked outside during the evening to stretch my legs and met a young lass who was probably about 23 or 24 years old. She was quite well dressed. She came out and tried to explain to me her problem. She was a mental health patient who was living in a unit on her own and she had no support. One of her problems was that every so often she would get the wanders. She would wander down through the Esplanade in Cairns and places like that. She had no control over her own actions and she was being used and abused by people in the parks. She was aware of what was happening. She was petrified that she was going to catch something which would have serious implications for her health, but she had no control over that. She had nobody in supported accommodation to stop her from doing that.

Things like that are really starting to frighten me. I could go on about Rachel. She has a tendency to raid the printing office next door. She pulls out the old toners and paints herself with black toner. Then she will paint her eyes with purple toner and wander around like that. I do not know what sorts of health implications painting yourself with toner is going to have, but I am sure it is not healthy and it tends to ostracise her. She has no control. We need to seriously look at the situation. It is not just in Cairns. We have to put more emphasis on the mental health outreach work that we do as well. I have dealt here predominantly with my own personal experiences in Cairns, to highlight the gaping hole in service delivery, but this is by no means a problem confined to urban areas.

As recently as this week, I received representation from health professionals despairing at the complete lack of support for those suffering mental illness throughout Cape York. Alcohol addiction excluded, the lack of counselling services in Cape York was rated as the single biggest issue of concern in the delivery of indigenous health services. A person to whom I spoke described a recent incident where he and other personnel were virtually begging for help in dealing with a very severe case involving a young lad at Kowanyama. The lad was carrying a gun around the community and threatening to blow his head off. The mental health agencies in Cairns were unable to respond—and, guess what: the kid blew his head off in a public place in full view of friends and relatives. Apparently, this shocking incident is still not enough to convince the relevant authorities that there needs to be some grief and trauma counselling in the community—some sort of mental health response unit—for those people deeply affected by traumas such as this tragedy.

When I first came into this place, I was asked to vote on an intervention in the Northern Territory with regard to euthanasia legislation because it was felt that the federal government had a role to intervene and to be involved. We are now discussing the possibility of some intervention with regard to mandatory sentencing in a state and a territory. Of course, the media is screaming for us to do something. It is continually highlighting a case of a death in custody of a 15-year-old lad from the Northern Territory. But we see nothing in the media about the youngster who blew his head off in full public view on the streets of Kowanyama because there was no response from the state mental health authorities to be able to support him. If there is any need for Commonwealth intervention, then I believe it is not so much in going in and being heavy handed but offering support, financial resources and direction so that we get some sort of a national program to start to deal with these problems. I certainly believe that this is an excellent example of why we should be intervening.

At times when we look at these things, most of us would hope that these problems would go away; but I can assure you that
without intervention they are not going to go away. That is why I am telling Rachel’s story in this place today. It is time that each and every one of us extracted our heads from the sand and faced up to the mental health crisis that is unfolding across this nation. As I said, Rachel is somebody’s daughter. I would say that every single member in this House has many Rachels in their electorate. There would hardly be a town or a city in this country that does not have a Rachel. It is my view that we need to start taking these cases out of the too-hard basket and putting them back into our in-tray. We cannot continue to ignore the problem or feel secure in the knowledge that it is somebody else’s responsibility. Imagine for one moment if Rachel were your daughter and then tell me that nothing can be done to help her or people like her. I do not think that there is anybody in this chamber who believes we cannot do better. I, for one, intend to keep pushing until we do, and I would encourage all of my colleagues on both sides of the House to join me on this one. We can make a difference for these people and I think we have an obligation and a responsibility to do just that.

Mr ALBANESE (Grayndler) (1.04 p.m.)—In this consideration of the budget, I rise to speak on the government’s appalling handling of the housing sector in relation to the implementation of the GST. Housing, of course, has long been recognised as one of the essentials of life. It is certainly one of the basic rights that we expect an Australian government to protect in advance. Not only is a roof over our heads fundamental but it also has a major impact on our health, on our ability to gain an education and, indeed, on how well off we are as human beings. Under those circumstances, why would a government want to erode this right? We heard a lot of rhetoric during the election campaign which suggested, for example, that rents would be GST free. We also heard a lot of rhetoric that the impact on housing would be minimal. The fact is that the opposite is the case. Sectors of the housing industry—the Housing Industry Association, tenants’ unions, real estate agents, construction industry bodies, public housing associations, the state housing ministers—are unanimous in their conviction that the GST will make housing more expensive. By making it more expensive, this mean-spirited government will force more disadvantaged Australians onto the streets. We have already seen indications that the number of homeless in Australia is over 100,000 people on any night. The government’s reaction to that has been to reannounce on no fewer than five occasions the same funding for the homeless. The impact of the GST on housing will impact on the ability of people to buy a new house; it will impact on private renters; it will impact on strata titleholders; it will impact on public housing; and it will also impact on residents in boarding houses, caravan parks and holiday villages.

First of all, I want to talk about the impact on new home buyers. The GST will apply to new home building, land development, renovations, additions, repairs and maintenance. None of the compensation packages offered by the government, such as the First Home Owners Scheme, come anywhere near making a first home more affordable for the average Australian family. The $7,000 up-front payment to first home buyers proposed by the government would only adequately compensate for homes valued up to $90,000. You would be very lucky to find a house in Sydney or Melbourne that sells for $90,000. The Urban Development Institute of Australia predicts that a house-land package costing $230,000, which is more like the median price for houses in Sydney, will cost $248,500 under the GST. The $7,000 up-front payment does not even meet half the GST costs. It is extraordinary that members could suggest that first home buyers in any of the capital cities in Australia, particularly those on the east coast, will actually be able to purchase a home within a price of $90,000.

We hear the Treasurer trot out the argument that the removal of the wholesale sales tax will somehow also compensate home builders. But what are the facts? The Urban Development Institute of Australia has estimated that the wholesale sales tax on the average new home is less than $1,000. This is against the GST on a medium priced Sydney home of $24,728. That means a shortfall of some $23,000, just for a medium priced home. Another respected investment analysis...
body, BIS Shrapnel, in their report ‘Impact of the GST on the Australian residential building markets’, have calculated the GST on house-land packages as follows: Sydney $14,200 minimum, Canberra $10,600, Melbourne $10,400, Brisbane $10,200, Perth $9,800, Adelaide $7,100 and Hobart $6,700.

So, according to BIS Shrapnel, if you are a first home buyer and you are buying a house and land package, in every capital city on mainland Australia the $7,000 compensation simply will not be enough. They go on to state that the major losers from the impact of the GST on the residential sector will be first home buyers—in particular, first home buyers in Sydney and Melbourne. Further—and here is the crucial point—the proposed $7,000 First Home Owners Scheme payment will not compensate these buyers for new dwelling costs in both cities.

As well, there is evidence which has been well documented that, because the GST is coming in on 1 July, there is a massive rush to build homes before then. There is a consequential massive increase in the costs of labour and materials as the demand exceeds the supply. We have seen a massive one-off increase—one estimate is up to $60,000 extra cost—in the cost of building a home now because of that non-equating of demand with supply and the pressure which is building on people to get all of the work out of the way before 1 July. There is also an economic impact. At the moment, there is a big boom going on but a big bust will occur after 1 July, a cyclical economic impact which will be negative in terms of jobs and in terms of growth.

I want to also turn to private renters. If you look at the private rental market, landlords are precluded from levying the GST on rents yet they will pay GST on their inputs, leaving them with the choice of wearing the costs themselves or putting up rents. Who thinks that landlords will say, ‘Oh well, we’ll just absorb the costs and get less profit,’ particularly in a market situation where there is a massive housing shortage and an affordability crisis in the cities around Australia? The fact is that this will be used as a one-off excuse to put up rents to a massive degree. Tenants are therefore faced with paying that increased rent. The New South Wales Federation of Housing Associations predicts that the GST could increase rents in Sydney by some $20 to $30 per week. Rate rises forced by the GST will further fuel rent increases. Some councils will spend up to $100,000 on GST set-up costs, forcing them to look at rate rises and, when they put their rates up, rents will inevitably follow.

A press release of 10 February from the National Tax and Accountants Association is headed:

Council rate rises up to 10% from July fuelled by GST

It goes on to say:

Home owners facing council rate rises up to 10% from July, can only, once again, express their disdain and utter contempt towards the GST according to tax experts today.

Rate rises of up to 10% from July will be fuelled by costs to councils in administering the collection of GST on services that they provide.

Some councils have estimated their GST set-up costs could be up to $100,000.

That is just their set-up costs. That is not the Labor Party saying that; that is the National Tax and Accountants Association.
out plumbing or with broken doors or broken windows.

I want to now go on to strata title holders. They are people who are already paying the GST, because the second half component of their bills for this year contains the GST. The member for Mitchell might laugh, but that is 1.1 million Australians who have such a bill to pay at the moment. Many of these are older Australians on fixed incomes who will be forced to pay the GST on strata levies. Strata schemes have been forced to levy the GST, track the GST on goods and services purchased and then fight their way through the paperwork to claim back tax credits. All this was supposed to be a simplification of the tax system. Many of these strata schemes are not large bodies, and it is these bodies who will have to administer this system. For 1.1 million people, paying taxes is about to get a whole lot more complicated. The fact is that, in just about every single example of a strata title in Australia, even though the input taxes will be able to be claimed back, they are getting a substantial increase in their levies—certainly well beyond the 2.3 per cent increase in rents that was estimated by the government.

So we have first home buyers and new home purchasers being done over, we have private renters being done over and we have people in strata titles being done over—but if you slipped through the net you had the public housing safety net. But public housing funding will also be slashed under this GST. To take one state, Queensland, the GST will mean an effective reduction of $30 million in public housing funds over the life of the current Commonwealth-State Housing Agreement. There will be further additional costs to public housing. Maintenance costs do not currently attract sales tax. They will, however, attract the GST. That means it will cost an extra 10 per cent to keep public housing states in a livable condition. Due to the nature of public housing in Australia where you have a lot of old stock, increasingly a lot of the budget is used up simply in maintenance. That will mean a massive effective cut in the amount of money available not only to do up older residences but also to invest in new homes.

The impact of the GST must also be seen against the backdrop of cuts to public housing funding since this government was elected. Since the first Howard budget, federal government outlays for CSHA grants and rent assistance have decreased by 10 per cent. The government has been relying more upon rent assistance as a way of delivering housing assistance. This, however, does not benefit public housing tenants, it does not help people in areas of low housing supply and it does not help people who face discrimination in the private rental market—for example, those with disabilities. State governments know what the GST means: a huge millstone around the neck of public housing. But the Treasurer either does not know or, more likely, does not care—and, again, it is the most disadvantaged who suffer.

If you look at the most disadvantaged and vulnerable in our community, you cannot go beyond people who live in boarding houses, caravan parks and mobile homes. These people live in relatively low-cost housing because they cannot afford other options. By and large, people who live in caravan parks live there because they do not have other options available to them. But, as a result of this government’s legislation, people who live in caravan parks are going to be forced to pay the GST: 10 per cent on the first 27 days and then five per cent after that. People in boarding houses will be hit with the same. Some 161,000 people are living in caravan parks. I can assure the Parliamentary Secretary to the Minister for Industry, Science and Resources, who is at the table, that I have been and visited his electorate and caravan parks. The electorate of Leichhardt is a very nice electorate.

Mr Entsch—Well looked after, too.

Mr ALBANESE—I may well visit there again to inform those people who live in caravan parks that they are being discriminated against. I am sure the member for Leichhardt—given the nature of business dealings and friendships there—would know that, if you happen to be renting out a place, for example, at Kirribilli House or somewhere with Sydney harbour views paying thousands of dollars a week rent, you would not be paying the GST on your rent. But after
1 July the people who live in caravan parks in electorates like Leichhardt will be paying the GST.

Mr Entsch—They don’t believe you.

Mr ALBANESE—One of the problems the member for Leichhardt has is that after 1 July they will believe us because it is on their bill.

Mr Entsch—They will also get their tax cuts.

Mr ALBANESE—They will not be satisfied by their tax cuts. I quote again from the National Tax and Accountants Association—which will probably be opposed by the member for Mitchell as being a radical organisation. The president of that association, Mr Ray Regan, is quoted in the Sunday Telegraph as saying: “The imposition of the GST on any rent that is paid by long-term tenants of caravan parks is clearly discrimination against these people. The government knows that these tenants will be worse off. That is why it is sitting on the report by Econtech into people in boarding houses. It will not release the findings against these vulnerable people because it does not want the information to be out there. I again challenge the minister to release the Econtech report so that we can see what the impact of the GST will be on people who live in boarding houses. In terms of the impact on people in my electorate where boarding house rents are up to $140 per week, I certainly know that those people who are suffering and who are vulnerable will be forced into a situation where they have to pay the GST. To quote one resident from my electorate, Patrick Drage from Petersham said: I go without meals as it is. If it goes up another $14 or so, that’s meat and bread I’ll have to go without. I go to the Exodus Foundation at Ashfield every week and pretty much everyone else here does too. I can’t read or write. I had silicosis all my life and couldn’t go to school. I didn’t vote for the GST. It’s going to make the rich richer and the poor poorer.

That is the sort of impact on battlers that the GST will have. The confusion which is there is compounded by the fact that residents are not the only ones who will have to suffer. A lot of people who own boarding houses or caravan parks do not know what is going on either. They have not been given proper information by the government. I will be attending a meeting next Tuesday of 185 caravan park owners who will be demonstrating their opposition to the GST and their opposition against this government. To illustrate the confusion which is there, I quote what Fiona Martin writing in the Tax Specialist said: ... While the concept of a GST is relatively straightforward, its implementation will be extremely complex.

We can expect a raft of court cases about its implementation to add to that uncertainty. The GST is perhaps best summed up by my constituent, Patrick Drage, who said that what it is going to do is make the rich richer and the poor poorer. Perhaps that is exactly the agenda that this government wants.

Mr CADMAN (Mitchell) (1.24 p.m.)—Speaker after speaker from the Labor Party has tried to raise this false apparition of how dreadful the goods and services tax will be. I will take a couple of simple examples from the previous member’s comments. He was talking about new homes with an average value of $250,000—I think they were the figures he used; I will be generous to him—in the Sydney area. He claimed that, by the time you removed $1,000 of wholesale sales tax and put on a goods and services tax, a person buying a new home in the Sydney area spending $290,000 would have to pay an additional $14,200—I think they were the words he used—only half of which he said would be covered by the first home buyers’ $7,000 one-off payment, leaving a deficit to be met by the first home purchaser of some $7,200. That works out at about $8 a week on normal interest rates.

Mr Entsch—if his figures are accurate.

Mr CADMAN—Yes, you have to qualify that, because he is known for a lot of arm waving but not too much accuracy. If you take those figures, and if they are accurate, that is approximately $8 extra a week that person would have to pay to borrow $7,200 to cover the additional cost due to a goods and services tax. But that family with one child will be receiving tax cuts of $50 a week, which will more than adequately cover any increase in the purchase of their home. In
addition, they get the $7,000 first home buyer payment.

If one analyses what is a predictable debate on the appropriation bills, one finds that speaker after speaker for the Australian Labor Party is doing their best to spread concern, disruption, fear, anger and terror to particularly the elderly people of Australia. The Australian Labor Party has shown time and again that what it would rather do is frighten the elderly rather than support them. So, rather than proposing amendments, changes or suggestions to alleviate the things it says will hurt the elderly, it repeats those so-called facts which it thinks will scare older people more.

One of the previous speakers, Mr Kelvin Thomson, spoke about the costs to small business in the change to the tax system, and I think he said that in preparing the business activity sheet there were some 20 separate statements. Very few businesses will have to complete a full business activity sheet and they will be very large businesses with fringe benefits tax and a whole range of withholding taxes. The small businesses of Australia will have a basic return with everything on it. They will have a pay-as-you-go system; they will be rid of nine taxes which are debilitating, costly, time consuming, bureaucratic, difficult to administer and ramshackle in their application. The goods and services tax is a single tax replacing all of these taxes, plus a simplified tax return on just one sheet of paper—

Mr Entsch—Just one.

Mr CADMAN—The tax return is one sheet of a normal A4 size paper. The business activity sheet is prepared by the small business proprietor or by any business proprietor on one sheet of paper and returned once a quarter after they know what their income is. There is none of the predictions or guessimates that occur with some of the other taxes that we have had. The prospect for many of getting rid of the prescribed payments tax or the portable payments tax, these inventions of minds that say, ‘We must do everything to protect the revenue no matter how much it may cost the taxpayer’—let us protect the revenue but let us give some regard to the cost of the taxpayer of compliance—is important. If we are competitive with our international competitors, we gain an advantage. If our tax system is simpler and easier to administer, we gain a competitive advantage in a global sense.

So the statements that small businesses must have computers, that they have no money, that they must have the right software, that electronic lodgement is mandatory and that all they get is $200 to cover all these costs are absolute rubbish. There is immediate write-off for any hardware that they may want to purchase. There is free software. The $200 comes and you can boost that up with a company like Mind Your Own Business to mean much more than the raw $200 in a business. There is time required to make the change, but it is not a difficult change for most businesses.

So the impact of the change to the goods and services tax is very much as predicted by my colleague across the chamber and by the former Prime Minister, Mr Paul Keating. We do need to change the tax system in Australia. It is too complex, it is uncompetitive and it dampens the enthusiasm and incentive of the average working person. It is too much loaded on pay as you earn taxation and not enough on pay as you spend. So people need the incentive to be able to set their own goals, set their own visions, whether it be to start a business or to build a house, whether it be to become an exporter or to become an entertainer. Whatever their goal might be, they should not be discouraged by extraordinarily high taxes from doing that. That is something that the current taxation system does discourage. One only has to look at the statistics for the last year available. This publication, ‘Taxation Statistics 1997-98’, was received by me on 4 January this year. Look at the massive increases in things like capital gains over the last five or six years—going back to about 1993, when things suddenly started to bite. Company taxation started to increase dramatically from that period.

Mr Tanner—It is called coming out of recession.

Mr CADMAN—It is time to change, my friend. I thought that is what you were on about, too. You are the two intellectuals of the Labor Party; I thought that you guys
wanted to change stuff. If you are trying to argue it does not need change, have a look at the statistics. The statistics show the average person will not keep trying if there is punitive taxation imposed on them at a personal level.

The previous speakers went on to talk about the administration of the tax office and how there are a lot more people there and how they may not be as proficient or whether they are as proficient. It seems to me the Labor Party are starting to say ‘We saw the weekend press; it has been demonstrated to us clearly that the average food package will be slightly cheaper with a goods and services tax’—or at least will not be dearer. That was their argument, that food would be dearer—even though there was no goods and services tax on food—under the new regime and everything would be terrible. I think the weekend press put that to rest. Of course, there would be members who are aware of the statements published this week in Choice magazine about the GST changes and the food products that will be down, those that will remain the same and those that will be slightly increased. That further demonstrates that the figures at the weekend in the popular press which said that there would be a slight decrease in the average food basket are maintained and verified.

So much for those arguments. They have gone by the board. What are we arguing now? That the tax office has a few problems in starting the new things up and—fallaciously—that small businesses cannot handle this. I think all of those old arguments one by one are being knocked over, belted out and dispensed with because, as people understand the changes, they are starting to see the logic of what the changes are. The Morgan and Banks survey, for instance, indicated very clearly that business in Australia was far from being in a state of panic, far from being unprepared. Their survey of over 3,200 businesses in regard to tax reform showed that, with four months to go until 1 July, 91.4 per cent of businesses are confident of being prepared for the new tax system. In every state the result was over 90 per cent. In small business, 91.2 per cent are more confident than big business. So the arguments just collapse under the weight of facts. The arm waving of some members and the invented arguments of others do not bear real scrutiny. It was very interesting to note in the Morgan and Banks survey that the media industry is least confident about being prepared. To be exact, 82.4 per cent of the media are confident that they are ready. I guess some of them are so busy writing bad news stories about this that they have convinced themselves that it is difficult. But the administrators of the media should be quite confident in what they are doing. I frankly do not understand that difference. The details of that Morgan and Banks survey are freely available to members and to anybody in the public who wants to know how it will work.

If one looks at the Australian economy generally, one would have to say we are faring well as a nation but we have to keep our attention and focus well on the future—changes in taxation will bring benefits; further reforms are needed both to industrial relations and to the processes by which we pay welfare. I think that is generally and broadly acknowledged, but how we get there will be a matter of dispute. So looking ahead to tax change, we need to be conscious of national goals that need to be staked out at this time. We need to be aware that in general the economy will continue to perform at its current level, that the level of employment will continue to increase. If one looks at the survey of Australian manufacturing business for the Australian Industry Group, one finds that production for the last quarter has increased by 16 per cent, and demand is positive with an increase of 17 per cent. So there are substantial factors there proved by the Australian group and Pricewaterhouse, proved again by the ACCI and the Westpac Banking Corporation, on the capacity that we have to use our factories in an economic way, to use the full-time labour available to work in factories or on farms. The public of Australia continue to want things and have the confidence to buy. Housewives and families say, ‘Yes, we can continue to spend at this level and we do not have to pull back at this time. We are confident enough to go on as we are.’ There is a strong new order delivery line-up. In fact, most businesses are
most businesses are indicating that there are delays in filling their orders.

What does all this say? That Australia is going reasonably well. We are having tax reform, we are having the Olympic Games and what comes next? I think that we continually need a challenge. I think that the next challenges that we ought to look at are how we deal with the demand on infrastructure and how we deal with welfare. These are the next two tests for this country. I hope my colleague opposite offers some suggestions in that debate. My own view is that in welfare we need a welfare net and not a hammock. We need to be able to provide through agencies of government continual transfer payments that allow people to have basic, comfortable, reasonable living standards if they fall on hard times. But in addition to that, I think we ought to be moving ahead, as this government has started to, to provide services which are more comprehensive and more compassionate through agencies other than government agencies. There are many avenues by which this can be done. The minister for employment services came under criticism over the Christmas period for selecting so-called Christian agencies. That minister in my assessment picked agencies that produced the goods. They got contracts because they delivered. They could actually get people into work and the contracts that they won are the type of contracts that required them to get people into work and they were prepared to go the extra miles and spend the extra time and make sure that that happened. That should be the test, and that was the test that was applied. But it is a narrow area to which we are applying welfare reform at this stage. We need to enlarge that and spread it into handicapped services, children’s services, services to the aged. I am sure it is not beyond the wit of this Australian parliament to reach those conclusions. Let us hope there can be some consensus of opinion about the results.

In regard to infrastructure, things like the careful reinvestment of our resources, whether it be by sale of Telstra or whatever, the careful reinvestment of resources into providing for the future, making our communications more efficient, building Internet contact around Australia and being prepared to accept that nobody in Australia should pay more than a local telephone call for an emailed message will bring Australia together, will cut the tyranny of distance and will let those people in remote areas communicate with the rest of Australia at no cost. That is the infrastructure building that we should be embarking on. The goods and services tax and the change in the tax regime is being legislated for. It is going through the parliament. To try to torpedo it and say it is a mess and nobody understands it is in fact a failure to understand the very basics. It is well thought through; it is logical. There are answers across the board for all factors of it. For those that need assistance, there is a plethora of information available.

In conclusion, just to give some example of the assistance that is available, there are leaflets and booklets available that go into it in precise detail: “The New Tax System—here’s how it will affect your business”, “The New Tax System—here’s how to keep your business records now and in the future”. Then there are 31 industry specific books. Whether it be in horticultural, cropping or livestock, whether it be for welfare agencies or charitable organisations, these easily readable booklets are there. There is a second round of education programs being done by the tax office right now, starting over these next weeks. There is web site presentation where all the material that is published is available. There are one-day workshops on the goods and services tax, on the business activity sheets, on the pay-as-you-go system and on the Australian business number—all factors that are significant in these changes. There are general videos available for people. There are speaking engagements where people who are skilled, whether they be from the New Tax System Advisory Board or from the Australian Taxation Office, can come and speak. Field officers will come to businesses and spend time with the proprietors to help them set up their systems. There are general tax information hotlines. There are business tax information hotlines. There is free entry level software to assist in setting up for the change and that software has been released. All businesses that register for the goods and services tax will receive a copy, and addi-
tional copies are available. There is also information on how to keep your business records, with a free telephone call. There is a help line, with free telephone calls from anywhere in Australia. There are tax action guides—how to get ready, how to understand the impact on your business, putting the GST into the business context. There are even advices from the Australian Competition and Consumer Commission about how businesses should charge so that they stay within the law. (Time expired)

Mr LATHAM (Werriwa) (1.44 p.m.)—Many of the outlays in these two appropriation bills relate to regional development. I want to address this question of regional policy and specifically look at four of the myths that seem to spread throughout the debate about regional development in Australia. The first of those myths is that there is an economic rationalist conspiracy to destroy the bush. I have always been under the impression that industries in regional Australia are largely market based and they rely on market forces to produce wealth and prosperity. In fact, I grew up with the rhetoric that Australia’s agriculture and mining industries are among the most competitive in the world. Of course, we know they are the backbone of our export industries.

So these things are true, and they have been the case in Australia for a long time. If the industries are so competitive globally and are so good at exporting, it begs the question why there are so many demands for government handouts. It is my opinion that normally these demands come from those who in the past have accumulated wealth and privilege from market forces and now, because of the dynamic nature of the market, are seeing those privileges wither away, so they make the political protest. Any sensible Australian farmer and any resident in the bush knows these truths. They know the reality of the market system, the pluses, the minuses and the constant need for upgrading and adjustment.

It is very interesting to note that one industry has actually voted on these matters in recent times. There was a democratic vote in a rural industry about whether they wanted excessive regulation of the market or they wanted deregulation policy. The dairy farmers in Victoria voted 89 per cent in favour of deregulation. It is my guess that, if they had voted 89 per cent against, there would have been banner headlines in the media saying there was a revolt in rural Australia against market forces. But in fact they voted 89 per cent in favour and you can barely find the story at the bottom of page 10 of any newspaper. You never hear the members for Kennedy or Dawson saying a word about such a vote and such a democratic outcome expressed by the dairy farmers in Victoria. So I expose as myth the idea that there is some economic rationalist conspiracy to destroy the bush. The bush has long relied on market forces and in the absence of any sensible alternative it will long do so into the future.

The second myth I address is the suggestion that the great locational imbalance in Australia is between the city and the country. I acknowledge that imbalances and inequities do exist. There is an imbalance between employment and economic opportunities in the city and those in the bush, but it is not as great as the imbalance between the inner city and the outer suburbs. It is not as great as the differences within metropolitan areas. I invite any government members who doubt this assertion to visit the public housing estates in my electorate or in the electorate of my colleague the member for Chifley to find out for themselves the extreme level of social exclusion and social disadvantage. I invite them to come and visit suburbs and neighbourhoods with unemployment rates of 50 per cent—not 10 or 15 per cent, which is often the claim in regional Australia—and welfare dependency rates of 80 per cent. That is where you will discover real social exclusion.

We have had the Prime Minister on his regional tour. Where is the tour of public housing estates to visit the people who are most grossly excluded from participation in this country? These are the forgotten suburbs in this debate. They are the forgotten neighbourhoods in Australian public policy. These areas are not in marginal seats. A lot of the noise about regional Australia is driven by political considerations and most of the marginal seats for the next federal election cam-
campaign are located in non-metropolitan areas. These suburbs do not provide the residences for journalists, bureaucrats or opinion leaders so they get neglected in the public arena.

In many ways, the socially excluded have become institution free. The people who live in these concentrated areas of long-term unemployment and welfare dependency are institution free. They are not connected to the growth in the small business sector. They are not connected to trade unions and other parts of the labour movement. They are certainly not connected to some of the coffee shop socialists who would pretend to know about their cause. The big challenge is to recognise these realities, and this is a huge challenge on my side of politics. We in the Labor Party started out as the political wing of the trade union movement. Now as we move from industrial to information age politics we need to become the political wing of the socially excluded. This is a very important shift in our institutional structure and purpose, but one that needs to be made.

The third myth I address in this debate about regional Australia concerns the suggestion that government handouts are the answer. This is a suggestion which is simplistic. It is a suggestion which defies the root causes of economic change and adjustment in regional Australia. The truth is that we now operate in a vastly new economy. All the economic rules are being rewritten every day as the economic fundamentals and investments change. In this new economy investment has become mobile and investors place a huge premium on skills. So it stands to reason that in the new economy the investments and the jobs tend to follow the locations that have the strongest skills. Investment and employment are drawn to those areas that offer the best return on the skills of workers and the skills of entrepreneurs.

We need to give weak areas struggling with economic adjustment a comparative advantage in education and skills. For instance, I recently advanced a plan for free regional universities in Australia. This is what I mean by a comparative advantage in education and skills. We need to recognise that many people in regional Australia flock to the cities for their education. They stay and work there and that of course is part of the pull towards metropolitan areas. In Tasmania it is known as the brain drain, whereby the best and brightest of their young people are drawn to Sydney and Melbourne for education and as a result the state of Tasmania suffers. We need to turn around the brain drain and turn around the incentive system in regional Australia. We need to give the bush a comparative advantage in education and skills, and that means driving down the comparative cost of education in regional Australia.

I am a strong advocate of a mixed funding system for universities. One size fits all is the politics of the industrial age. It will not suit the new politics and the new realities of the information age. We should have a mixed, diverse university system and part of that should be cost free regional universities. Let us target those parts of Australia that have got the weakest rates of investment and the highest rates of unemployment and give them a lower cost for educating the best and brightest of their young people and even draw in some from the city. So you reverse the pull towards the city and use education and mixed systems of funding to produce better outcomes in regional development.

This highlights a very important point for policy makers. I mentioned earlier that the new economy is rewriting all the economic rules, and so it is. Part of the responsibility here for policy entrepreneurs and policy makers in this parliament is to devise the new rules. In economics we need to think beyond micro- and macro-economics; we have to start to think about a third approach—spatial economics. We have to recognise that the key indicators of social disadvantage are skills and location. Postcodes are becoming the best guide to the opportunities that people have got in this country.

Economics as a profession and as a practice in this parliament needs to adjust. We need a serious debate on these issues. We really do not want—and I would hate to see this—the fastest growing industry in regional Australia to be whingeing. We do not want a culture of complaint. We want a political culture of answers in regional Australia. So whingeing should be out and answers need to
come in. The debate needs to be a lot more serious than it has been in the past.

I give an example concerning a proposal that I do not necessarily agree with. The Treasurer, Mr Costello, came up with the idea before Christmas that there should be a bit more flexibility in regional labour markets. A lot of serious economists advocate such a plan. Even the head of the New South Wales Labor Council, Michael Costa, has advocated such a plan in one of his books. As I said, I do not necessarily agree with the proposal, but the manner in which it was dismissed was very disconcerting for those who want a serious debate about the issues in regional Australia instead of a culture of complaint. The truth is that hysteria and political opportunism will never be a substitute for informed debate and informed policy making. So let us not have these knee-jerk political reactions. When someone puts up a serious proposal about helping the bush, let us have a decent debate about the ideas on offer.

The fourth myth in this debate about regional Australia concerns the suggestion that financial interests in the city have got it in for the bush. Following the recent increase in interest rates, I was stunned to hear my otherwise learned friend the member for Wannon making such a suggestion. He is not just a contributor in the parliament; he holds the prestigious position of chairman of the parliamentary economics committee. Yet this is what he had to say in response to the recent 0.5 per cent increase in interest rates:

Many commodity prices are at decade lows and many regions still have unacceptably high unemployment. Yet the Sydney-dominant bank economists have bullied the Reserve Bank of Australia into pushing up rates to the detriment of the rest of the country ...

It's time these economists took off their harbour-yacht sunglasses and looked at the rest of Australia. Then they might appreciate the growing resentment their self-serving pronouncements are creating.

That in fact is self-serving populism and political opportunism of the worst kind. That is just absolute economic claptrap. As the chairman of the economics committee, the member for Wannon should have known that the interest rate rise was almost certain. We had a parliamentary inquiry involving the head of the Reserve Bank late last year and on every indicator you could have bet your house that interest rates were going to rise in the new year—growing capacity constraints, a tighter labour market, strong consumer spending, increased household indebtedness, a weaker currency, higher international interest rates, higher than expected economic growth globally, a steepening yield curve in Australia, the Olympics boom, the excessive fiscal stimulation that this government is introducing in July as part of its GST package and the deteriorating budget position under this government. Each and every one of those indicators showed that interest rates were going to rise in the new year. So here is the government feigning horror and shock that they have gone up by half a per cent, and the member for Wannon indulging in the stupidity of trying to blame market economists in the city. That was a cheap piece of political populism, one that is not deserving of the important issues in this debate.

The main point is this: the increase in interest rates was not due to bankers in Sydney; it was due to policy makers in Canberra. A lot of the complaints of the member for Wannon should be sheeted home to his own backyard. He should be worried about the nature of this government's economic policies which are directly driving up interest rates and increasing the financial burden on debt-strapped Australian homes. I see a few members opposite shaking their heads. Let them consider these facts. Under this government national savings have been anchored at a low level. This government promised huge increases in national savings and after four years they have barely moved. That is one of the reasons why interest rates have gone up. And household savings are at an all-time low, yet this government has absolutely no inkling of a household savings policy.

The other aspect of this government’s failing on interest rates is its fiscal irresponsibility. I pay tribute to the member for Kingston, who last night belled the cat on this government’s fiscal irresponsibility. He produced statistics showing that the seven-year effect of four Costello budgets is to worsen the Commonwealth fiscal position by
$10.7 billion. The member for Kingston makes the valid point:

The Treasurer by his fiscal laxity has allowed all of the $8 billion worth of savings he achieved in his first budget to be wiped out. The net effect of all the policy decisions taken since the 1996 budget has been to dissipate the annual savings made in that budget.

I refer members to the member for Kingston’s presentation in the House and the table that was incorporated in Hansard. It shows that, over the four budgets of this government, the seven-year effect has been to worsen the financial position of the Commonwealth by almost $11 billion. Then the member for Kingston went on to point out that the 1999-2000 budget papers show that Commonwealth underlying own purpose outlays as a percentage of GDP have risen from 20.5 per cent—the level at Labor’s last budget—to an estimated 21.4 per cent. Commonwealth own purpose outlays as a percentage of GDP are up by one per cent.

If people like the member for Wannon are looking for an explanation as to why interest rates have gone up, they should knock on the Treasurer’s door, look at his fiscal irresponsibility and understand that this government’s own economic policies are driving up interest rates—not the people at Westpac and not financial boffins in Sydney, but the deliberate policies coming out of Canberra.

QUESTIONS WITHOUT NOTICE
Goods and Services Tax: Caravan Parks

Mr BEAZLEY (2.00 p.m.)—My question is to the Prime Minister. Prime Minister, didn’t you tell the coalition party room yesterday that you would not cave into demands for more exemptions to the GST, saying that would produce an immediate campaign for a flood of further changes? Are you aware that the Minister for Community Services recently stated at a public meeting at Tweed Heads that, in relation to the GST on caravan park and mobile home fees, whilst he could not give a guarantee, he did ‘hope that there can be a change there’? Are you aware that he also said, ‘I think perhaps there is a way forward because other members in my party have raised this issue with the Prime Minister’? Prime Minister, will you immediately instruct the Minister for Community Services to comply with your instructions to the party room and stop holding out false hopes on changes to the GST? Or will you agree to representations regarding changes in this area, or is this just another example of government members saying one thing on the GST in Canberra and another in the bush?

Mr HOWARD—I said many things in the party room yesterday. They were, as always, informed and relevant.

Economy: International Recognition

Mrs DRAPER (2.02 p.m.)—My question is addressed to the Treasurer. Would the Treasurer outline for the House the results of the International Monetary Fund’s latest review of the Australian economy?

Mr COSTELLO—I thank the honourable member for Makin for her question. The IMF today released in Washington its most recent consultation concerning Australia, noting that Australia ‘is a high growth, low inflation
The IMF noted that strong growth and labour market flexibility had meant that unemployment was trending down. It noted that the repayment of Commonwealth net debt—this government’s effort to repay Labor’s debt—“had facilitated a fall in Australian interest rates towards international levels.” The IMF also said that ‘fiscal policy has also sought to improve economic efficiency through a landmark tax reform package and more recent business tax proposals.’ The IMF described that landmark tax reform package as ‘improving the integrity and fairness of the tax system and reducing its complexity’. That is a direct endorsement by the International Monetary Fund of the government’s policy in relation to tax reform. That backs up, of course, the OECD report in January 2000, which said that ‘the introduction of a more efficient tax system should help to consolidate the productivity gains that are now being seen.’

When we look at tax reform internationally, we can see that there are now, I think, 150 countries in the world that have introduced a value added tax or GST. Australia’s moves have been endorsed by the OECD and they have been endorsed by the International Monetary Fund. To my knowledge, the only political grouping out of step with world developments, apart from the authorities in Swaziland and in Botswana, are the modern thinkers of the Australian Labor Party. I make this point: just as the Labor Party fought every step of the way against fiscal consolidation and then said it was in favour of surplus budgets, so now it intends to fight every step of the way against tax reform and, if it ever gets elected, do you know what it intends to do with the GST? It intends to keep it. It intends to fight every step of the way and then to take the benefit of it. That is straight and complete opportunism. It is an elaborate cover for a failure to come to grips with any meaningful policy. The runs are on the board; the international organisations have endorsed the government’s stand. I challenge the Leader of the Opposition, if he thinks he is a modern thinker, to produce one international body, an IMF or an OECD, that recommends the abolition of value added tax and the introduction of wholesale sales tax. I ask him to produce just one international endorsement of his policy to show that he is in step with somebody in the world, other than the countries of Botswana and Swaziland.

Goods and Services Tax: Caravan Parks

Mr ALBANESE (2.07 p.m.)—My question is addressed to the Minister for Community Services. I refer the minister to the GST on site fees for permanent residents of caravan parks. Would the minister agree that it is important that residents in regional areas such as the north coast of New South Wales receive accurate information? Is the minister concerned that residents have been circulated with leaflets by the Minister for Trade, the member for Lyne, saying:

I would like to assure you that residents who occupy accommodation on a permanent basis (i.e. over 28 days) will not have to pay GST on their site fees. This will be treated the same way as rental of a house or unit, and it is GST free.

Minister, wasn’t this claim false? Will you now ask him to correct it?

Mr COSTELLO—As the one responsible for the tax system, I take great delight in answering tax questions in this place.

Honourable members interjecting

Mr SPEAKER—The Treasurer is entitled to be heard in silence. Those who would question that may care to look at standing order No. 55.

Mr COSTELLO—Mr Speaker, as somebody who is responsible for the overall administration of the tax system, I am quite happy to take that question on behalf of the honourable member. In relation to residential rents, the principle that the government has laid down is that they will be input taxed. That means that there will be no GST on the rent but there will be no credit for the inputs. That is the case which applies to boarding houses, accommodations and caravan parks. An additional administrative arrangement was introduced to give an election—if it
would lead to lower compliance costs—for those caravan park owners to claim the input tax credits but to be liable for half tax on the rentals, which should amount to the same amount in the legislation. But the general principle is that input taxation will apply.

Mr McMullan interjecting—

Mr COSTELLO—I hear one of the brains trust of the Labor frontbench say they are not GST free. There is a big difference—and I would advise the Labor Party to learn this difference—between GST free and input tax.

Opposition members interjecting—

Mr COSTELLO—Mr Speaker, ironic cheers, as if this is news to them for the first time! What amazes me is how these people have been opposing for so long something they never understood and never had the energy to come to grips with.

Mr Crean—Mr Speaker, I rise on a point of order. The quote referred to in the question had the minister, Mark Vaile, claiming it was GST free. If your own government doesn’t understand—

Mr SPEAKER—The Deputy Leader of the Opposition will resume his seat.

Mr McMullan interjecting—

Mr SPEAKER—I warn the Manager of Opposition Business. The Treasurer has the call.

Mr Costello—Mr Speaker, in relation to input taxation, that means that there is no liability on the rent, but the input tax credits cannot be claimed.

Mr Crean—Mr Speaker, I rise on a point of order.

Mr SPEAKER—The Deputy Leader of the Opposition will resume his seat. The point of order has been dealt with, and the Treasurer is responding to the question as asked.

Mr Albanese—Mr Speaker, perhaps I could help the Treasurer by seeking leave to table the leaflet.

Mr SPEAKER—The member for Grayndler will resume his seat.

Mr COSTELLO—I will finish that sentence, Mr Speaker. In relation to those items that are GST free, there is no liability on the output, and there is full input tax credit in relation to all of the inputs. The treatment of residential rents is the same in relation to boarding houses and accommodation—that is, as a general principle, they are input taxed. As I said earlier, that amounts to there being no liability on the rent, but there is no claim back in relation to the input tax credit—a system which applies more or less to the current taxation on rentals. In relation to this matter, the government has also indicated that not only will it be increasing allowances and pensions but it will be increasing rent allowances by up to seven per cent for all of those who are in private rentals who will be getting an increase in relation to their rent allowances to deal with any price increases—if there should be any—in relation to that treatment.

Mr Albanese—I seek leave to table the document, ‘A message from Mark Vaile to residents of caravan parks and holiday villages’.

Leave not granted.

Employee Entitlements Support Scheme

Dr WASHER (2.13 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Minister, the government last week announced a historic extension of the social security welfare net to protect employee entitlements in cases of corporate insolvencies. Would the minister inform the House of the response to the hotline telephone number, advertised in the press last week? Would you give further details of the Employee Entitlements Support Scheme’s operation?

Mr REITH—I thank the honourable member for his question. I can advise the House that, following an advertisement that was placed in papers on the weekend, the hotline that the department has established is now receiving calls from employees, many of whom we believe will be eligible for the national Employee Entitlements Support Scheme safety net provision. I advise the House that, as at about 12 noon today, we had had more than 85 calls. There was obviously
a very keen interest from those making those calls in understanding the details of the scheme.

I would hope that every member of the House would be pleased to hear that the advice we have from people taking the calls is that the overwhelming reaction has been one of a sense of relief that the government is prepared to try to give them some assistance. This is for people who have lost their jobs since 1 January and for whom, until the government made the decision that it did, there was absolutely no hope of any assistance when they had lost their employment. We are, of course, very interested to gauge the extent of reaction to the scheme that we have been putting in place. The reason for that is that there really have been no statistics available on the extent of the problem. This has been a hidden problem. This has been a problem about which the Labor Party was not even prepared to collect any statistics. This was a problem that the Labor Party hoped would stay stuck in a file, sitting on a shelf—

Mr Beazley interjecting—

Mr REITH—You were hoping that no-one would ever take that file down from the shelf to actually ascertain the extent of the problem. You were never prepared to lift a finger, never prepared to actually collect the statistics, the data, on the extent of the problem. And why? Because for you this was a problem that did not exist. This was a problem that you did not want to know about. Last year, at this government’s initiative, we established a research program to take those files off the shelves, which had gathered dust under Labor, to actually ascertain the extent of the problem. I can advise the House that we do have some early data. I received it in the last 48 hours, and it is subject to qualification in terms of the sample used and the like. My department advise me that they have been able to take out about 160 case studies over four different years demonstrating the extent of the problem. The early estimates—and I do say that they need to be treated with caution, and we will have some further data in due course—reveal the extent of employee lost entitlements to be about $5,006 per employee. This is relevant because one of the Labor Party’s attacks on the government’s program is that it is inadequate to deal with the issue.

Mr Speaker, I will give you a case study of a person aged 45 and over, an employee in New South Wales on average weekly ordinary time earnings. All other things being equal, and based on advice that I have from my department, a person in that situation would receive a full payout of around $16,819 based on 22 weeks. If you apply our basic entitlements scheme—and on the advice that I have from my department given the particular circumstances of New South Wales and entitlements—a person in that situation would receive not their full entitlement of 22 weeks but a basic entitlement of 20 weeks and a figure of $15,290. So $15,200 compared to $16,800. That is a very generous scheme. It is a very fair scheme. It is not surprising, therefore, that we have people ringing up to say that this is finally giving them a glimpse of hope, that there is some assistance for them after having lost their jobs.

The fact is that the Labor Party never collected any information on this whatsoever because they wanted it buried. They have never had a policy on this issue. They have been attacking our policy on the basis that we were making payments out of taxpayer funds to give these workers some assistance. When you were pressed on this you were saying, ‘Oh, no, our policy is an insurance scheme. What about these particular workers?’ Two days ago you said, ‘You might choose to start off with a more generous component from the taxpayers to fix this up.’ That is our policy that you have had the hypocrisy to be attacking. One minute the Labor Party are attacking our policy and the next minute they are agreeing with it. Just to cap it off—to show what an empty, vacuous person he is—when confronted about the details of his policy the Leader of the Opposition said two days ago, when he was actually pursued on the detail, ‘It’s a pretty detailed suggestion, but it’s no final cut.’ It is certainly no final cut.

Mr Beazley—Mr Speaker, my point of order goes to relevance. Is this a final cut of the government’s policy?
Mr SPEAKER—The Leader of the Opposition will resume his seat.

Mr Beazley—Is it? It changes every week.

Mr SPEAKER—The Leader of the Opposition knows that was not a valid point of order. Has the Leader of the House concluded his answer?

Mr REITH—I conclude by making this simple point: the Labor Party never had a policy on this issue when they were in government, because they were not interested in the circumstances of workers. When they are actually pressed on the issue now, they do not have a position that they are advocating; it is just 'It's just a suggestion but we will have as many final cuts as suit us.' They had a bad day yesterday, so today they turn to disruption as their only answer.

DISTINGUISHED VISITORS

Mr SPEAKER—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the National People’s Congress of the People’s Republic of China, led by the Vice-Chairman of the Standing Committee, Mr Zhou. On behalf of the House I extend to our guests a very warm welcome.

Honourable members—Hear, hear!

Mr SPEAKER—I also add a particular welcome to the Rt. Hon. Sher Bahhadur Deuba, a member of the Nepalese parliament and its former Prime Minister. Sir, you are welcome also.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Rent

Mr KELVIN THOMSON (2.21 p.m.)—My question is to the Minister for Financial Services and Regulation. Can the minister confirm that individuals owning residential rental properties do not have to register for the GST and that the ACCC has no power over the level of rents they charge? Is it true that these landlords can put up rents as much as they like and the ACCC is powerless to stop them? Doesn't this make a joke of the government’s claim that the GST will only push up residential rents by 2.3 per cent?

Mr HOCKEY—The ACCC’s price exploitation powers are applied under the Trade Practices Act and they extend to businesses that are registered for GST purposes. In relation to the issue raised by the shadow Assistant Treasurer, I can inform him that the government is doing everything it can to provide the ACCC with appropriate powers.

Mr Crean interjecting—

Mr HOCKEY—Don’t get too cocky, Simon. You haven’t heard the answer.

Opposition members interjecting—

Mr SPEAKER—Order! The Minister for Financial Services and Regulation has the call and he will be heard in silence.

Mr HOCKEY—At a number of points we have asked the states for additional referred power. However, in one situation a state is holding out. I have before me a letter from the Minister for Fair Trading of a particular state which I will read:

Dear Mr Hockey,

Thank you for your letter of 1 October 1999 relating to the States’ roles in fielding fair trading complaints relating to the GST.

In that letter you refer to discussions held at the Ministerial Council on Consumer Affairs regarding the implications of the New Tax System for Fair Trading Agencies. A proposal was put forward at that meeting—

I might say it was put by me—that all States agree to support the proposal ... to refer to the ... (ACCC) the power to undertake enforcement action under State fair trading legislation in relation to GST-related complaints.

After further consideration of this issue, I have decided not to recommend to my Cabinet colleagues that the State of Queensland refer power to the Commonwealth in this area.

I table the letter and point out that the Labor Party’s colleagues are not giving us the power to do it. So you are hypocrites about this. Don’t speak to us about it; go and speak to your Labor colleagues in the states.

Aged Care: Policy

Mr HARDGRAVE (2.26 p.m.)—My question is addressed to the Minister for Aged Care. Would the minister advise the House on the way the complaints resolutions scheme works to achieve better outcomes for
older Australians living in residential aged care facilities?

Mrs BRONWYN BISHOP—I refer to the reforms that were put in place in 1997 by this government. One of the reforms that was put in place was to establish a complaints resolution scheme, because previously there had been no formal scheme where complaints could be made by individuals, residents, their relatives and staff in a way that they would not feel intimidated. There was no formalised way of dealing with it, so the complaints resolution scheme was established.

We have promoted this scheme, throughout residential aged care facilities, with posters and brochures and, indeed, during the earlier part of this year I promoted it personally. The success of the scheme has been that we have received some 4,000 complaints since its inception, of which over 90 per cent have been concluded to the satisfaction of all parties. That means we have 10 per cent that are extant—on foot, as it were. The scheme is working well and is part of a raft of oversighting mechanisms we have to ensure that there is good quality care for individual Australians in need of it.

I wish to refer to a matter that was brought to my attention at 10 o'clock last night by the department. It concerned an event that was the subject of a serious complaint to the Victorian state office of the department. The department made a decision not to refer the matter to the standards and accreditation agency but to contact the provider and seek his response. The agency would have borne the responsibility of investigating the matter under the Aged Care Act and the principles to the act. Last night I had the central office of the department here in Canberra cause the Victorian office to refer the matter to the standards and accreditation agency and arrangements were put in place for a visit to take place at 9 o'clock this morning. Three nurses, one departmental officer and one agency assessor are in attendance. This inspection is still under way as I speak. My concern is that I want to be advised if there is an immediate or severe risk to individual residents. This conclusion will be taken by the delegate of the secretary to the department after receiving a report from the agency. If the judgment is that there is an immediate and severe risk, immediate action will follow. If there is a decision that there is not an immediate and severe risk, nonetheless the complaint will be pursued vigorously.

I want to reiterate what I said to this House previously, that we have a number of tools available to us to ensure that residents of aged care facilities receive only the best care. The accreditation which is in place and up and running will mean that by the end of this year, by 1 January 2001, only people who reach accreditation standard will receive subsidies from the government. In other words, the sorts of people the Labor Party tolerated being in business will be out of the system. Under the previous system, I am told that facilities would not be visited for five-year periods.

Mr Beazley—Mr Speaker, on a point of order: the question she was asked did not invite her to go to a comparison with past practice. The question that was asked invited her to respond to the immediate problem she found herself confronting. And the immediate problem that she found herself confronting has produced the first spot check.

Mr SPEAKER—The Leader of the Opposition will resume his seat. The minister's response to the question was entirely consistent with responses that have been given as long as I have been in this parliament, let alone this chair. I call the minister.

Mrs BRONWYN BISHOP—The agency advises me that by the time this year is complete every facility will have been visited once and one-third will have been visited on more than one occasion. Part of the checks process that we have in place is for monitoring visits to take place and for continuing contacts to be made where facilities are discerned not to be up to scratch. I repeat what I said: we will use every tool at our disposal to ensure that those people who ought not to be giving care and ought not to be trusted with the care of older Australians are, by the time our process is complete, not in the system. More particularly, my concern is for individ-
ual older Australians and that they get good care.

**Goods and Services Tax: Boarding Houses**

Mr SWAN (2.32 p.m.)—My question without notice is directed to the Treasurer. I refer to your commitment to undertake a study of the impact of the GST on boarding houses as part of the GST deal with the Democrats. Treasurer, have you received that report? Can you confirm reports that it shows boarders will be worse off under your GST package? Is that why you will not release the report?

Mr COSTELLO—The answer to the third part is no. As to whether we have received a report, I have not personally seen such a report. Can I say generally that the treatment in relation to boarders—those that are in long-term residential situations—is input taxation. The current tax treatment of rents is input taxation under wholesale sales tax. You do not get any credits in relation to rent for wholesale sales tax paid on matters that are in the rental premises. It is precisely the same treatment which is being introduced in relation to GST. But there is one difference between the government and the opposition—

Mr Swan—Mr Speaker, I raise a point of order.

Mr McGauran—This is frivolous.

Mr SPEAKER—Whether or not a matter is frivolous will be determined by the chair and not by the intervention of the Minister for the Arts and the Centenary of Federation. Every member of this House has the right to raise a point of order, and I recognise the member for Lilley.

Mr Swan—Mr Speaker, my point of order is relevance. I was asking whether boarders would be worse off and whether that information is contained in the report.

Mr SPEAKER—The member for Lilley will resume his seat. The Treasurer’s answer is entirely relevant to the question asked.

Mr COSTELLO—I was about to come precisely to that question, because there is one difference between the government and the opposition, which is: when the opposition was in power and increasing wholesale sales taxes, it never gave compensation to pensioners or people who were renting. Not once! Not only are we increasing pensions and family allowances and cutting income taxes but there is a seven per cent increase in the rental allowances. When the Labor Party increased all the wholesale sales taxes after that shameful 1993 budget, what was the increase in rental allowance given as compensation?

Government members—Zero!

Mr COSTELLO—What was the increase in pension given as compensation?

Government members—Zero!

Mr COSTELLO—I can say this: compared to past practice in relation to the taxation tactics of the Australian Labor Party, boarders will be in a better position than they ever were under the tax system of the Australian Labor Party.

**Goods and Services Tax: Public Education Campaign**

Mr NEVILLE (2.35 p.m.)—My question is addressed to the Treasurer. Can the Treasurer update the House on the government’s public education campaign being undertaken to inform businesses, individuals and families how to benefit from the new tax system?

Mr COSTELLO—as you would expect in the biggest reform to the Australian taxation system, it is incumbent upon the government to educate not only those people that will be interacting with the taxation system but the public generally on those changes which affect them. Starting Friday week, there will be a significant roll-out of television, print and radio advertising with a number of different advertisements covering a range of themes. The first set will focus on the Australian business number, telling businesses where to get a registration kit. This will coincide with a major roll-out of registration kits, which will be available in every major bank, every newsagent and every post office. In addition, this will coincide with a major direct assistance program for businesses, particularly small businesses, guaranteeing answers to questions and also offering the opportunity, if they wish to take it
up, of visits to businesses to assist them in registering and getting ready for the new taxation arrangements. The general booklets will be inserted in all major metropolitan, regional and suburban papers over the coming months.

In addition, there will be other government departments which will be advertising other parts of the taxation changes. For example, the Department of Family and Community Services will be advertising those increases in family allowances and changes as families get bigger benefits, and also increases in pensions, rent allowances and the like. In addition, there will be an information campaign for self-funded retirees as to the savings bonuses that they will be eligible to claim to ensure that the value of their savings is maintained. In addition, of course, the government will be introducing the largest income tax cuts in Australian history, and it will be necessary for employers who are putting in place those tax cuts to have information on the tax cuts which will be available to the Australian public.

This will be a major communication campaign, and obviously the opposition will support it, believing that it is necessary to provide information on the taxation changes, which involve changes to indirect taxes, which involve changes to Commonwealth-state relations, which involve the abolition of wholesale sales tax, which involve the abolition of other indirect taxes, which involve an increase in all family allowances, which involve savings bonuses for self-funded retirees, which involve increases in pensions, which involve increases in rent allowances and which involve the largest income tax cuts in Australia's history—a radical reform of the Australian taxation system to bring Australia with a modern taxation system into the new century.

Goods and Services Tax: Price Increases

Mr CREAN (2.38 p.m.)—My question is to the Treasurer. Do you recall telling John Laws last week that you 'haven't yet come across a product' that would rise by the full 10 per cent because of the GST? Do you still hold to this fantasy that nothing will increase by 10 per cent because of the GST?

Mr COSTELLO—I am glad that the Deputy Leader of the Opposition brought his pyjama top into question time, but I really do not think it is your colour, Simon. I would have thought your colour would be definitely red, if not pink.

Mr CREAN—Okay, okay. Mr Speaker, I raise a point of order.

Mr SPEAKER—The Deputy Leader of the Opposition has been extended some licence. Does the Deputy Leader of the Opposition have a point of order?

Mr CREAN—Mr Speaker, I raise a point of order.

Mr SPEAKER—The Deputy Leader of the Opposition has been extended a good deal of licence and will find himself in desperate trouble if he is abusing the forms of the House. Does the Deputy Leader of the Opposition have a point of order?

Mr CREAN—My point of order is that he said nothing could go up by 10 per cent. This price tag is out there advertising it.

Mr SPEAKER—Mr Speaker, I raise a point of order. Mr COSTELLO—not only is wholesale sales tax abolished in its entirety before goods and services tax of 10 per cent is levied but embedded wholesale sales taxes are also abolished. There will be embedded wholesale sales taxes throughout the transport distribution system. In addition, diesel
fuel rebates and diesel fuel reductions will also be reducing transportation costs. That means the implementation of a 10 per cent value added tax but the reduction not only of direct wholesale sales taxes but also of embedded taxes—

Mr Zahra interjecting—

Mr Speaker—The member for McMillan is warned.

Mr Costello—As a result of tax changes, prices should not move by 10 per cent.

Mr Crean—Mr Speaker, I raise a point of order, which goes to relevance. If they cannot go up by 10 per cent, why has this gone up 10 per cent?

Mr Speaker—The Deputy Leader of the Opposition will resume his seat.

Mr Tuckey interjecting—

Mr Speaker—The Minister for Forests and Conservation.

Honourable members interjecting—

Mr Speaker—I remind all members of the House that for any member of the House to be obliged to leave the chamber after they have been elected here by the people of Australia is in fact to say to their constituency that they lack the amount of self-control necessary to represent them here. The performance of some members this afternoon has been such as to make it entirely defensible for me to ensure that they do leave the chamber. I call the Treasurer.

Mr Costello—to summarise, as I said before, the abolition of wholesale sales tax and its replacement with a 10 per cent GST, plus the abolition of embedded wholesale sales taxes and the abolition of indirect taxes which are all built into price, means that in relation to even those items which do not have a direct wholesales tax there will be tax savings as a result of embedded taxes.

I also make the point that, if anybody believes that a price has been moved in a way which it should not, that matter can be reported to the ACCC, which has strong enforcement powers and which can investigate those particular matters to ensure that there is no price taking under the misleading or deceptive cover of a tax change. With the result of all of that, with the imposition of a 10 per cent GST we not only get a modern taxation system but also do away with the outdated wholesale sales taxes and the embedded taxes on inputs, something that could never be done under the current Australian taxation system.

Rural and Regional Australia: Student Hostels

Mr Lawler—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister inform the House of the steps the government has taken to assist regional students, including those in the electorates of Riverina and Parkes, who rely on hostels to attend school? Is there any other action that should have been taken?

Dr Kemp—I thank the member for Parkes and acknowledge the great support he has provided to hostels in his electorate. The government believes in and actively supports education for all Australian children wherever they may live, in the city or in rural or remote Australia. School term hostels are a crucial resource for many rural and remote families. They choose to send their children to hostels so that they can satisfactorily complete their education. Last year, there were about 1,700 students in hostels around Australia. A number of these hostels in the last couple of years, mainly in New South Wales and Queensland, have faced closure because of the difficult times faced by many in rural and regional Australia. The Queensland and New South Wales Labor governments, confronted with this situation, slammed the door in the face of these hostels. They showed no concern whatever, these Labor Party governments, for reasonable access to education by children in remote Australia. These governments have an obligation to make sure that there is access for these children. They are in breach of their obligation. They manifestly failed these families. It was an unacceptable breach of their obligation. The Leader of the Opposition could do something—he could make representations—but he will do nothing because he always does nothing. His whole rhetoric in this area is empty hot air and has no substance whatever.
Mr Beazley—What’s this got to do with the question he was asked?

Dr KEMP—You could do something about this. You could make representations. But it was up to members of the coalition from rural and remote Australia, it was up to the Howard government, to take action to make sure that these hostels, at threat of closure, remained open. At the end of last year we had approved over half a million dollars to maintain open 18 hostels that would otherwise have closed because of the dereliction of the Labor Party governments. This draws the contrast between the attitude of the government and the attitude of the Labor Party. The government is concerned with educational opportunity for all young Australians. It is particularly concerned for those in rural and remote Australia. We acted. The Labor Party, state or federal, does nothing.

Goods and Services Tax: Price Increases

Mr CREAN (2.47 p.m.)—My question is again to the Treasurer. Treasurer, do you stand by your statement that no product will go up by 10 per cent under the GST? If so, how do you explain the fact that Big W in Wagga has ticketed their children’s wear the full 10 per cent when the GST comes in, specifically, on advice from a disgruntled regional purchaser, a Paddington Bear romper suit? Treasurer, aren’t your GST bears coming home to bite?

Mr COSTELLO—To give the price effect on a Paddington Bear, first of all I would have to know the customs duty that had been paid on it, which would depend on whether or not a Labor Party person had brought it into the country. I can say that I have some familiarity with teddy bears and happen to know that teddy bears are taxed at 22 per cent at the moment. So I can get a nice cheap teddy bear to go with your nice pyjamas. You can curl up in bed and think of teddy. I am sure that will keep you happy and amused.

In relation to Big W, I am informed by my office that the ACCC has been notified about this matter and has sent a letter asking Big W for an explanation. That shows that the ACCC is certainly swifter of foot than the Australian Labor Party. It is already onto the matter and I will not prejudice the outcomes until we actually know what that ‘Please explain’ says.

Private Health Insurance: Premium Increases

Mr PYNE (2.49 p.m.)—My question is addressed to the Minister for Health and Aged Care. Minister, how has the government’s plan for private health insurance been of benefit to the Australian community? Would you inform the House of the government’s expectations for private health insurance premiums this year and how does this differ from recent statements that have been made on the issue?

Dr WOOLDRIDGE—I have some great news for the honourable member. Health funds will be formally announcing their premium increases on 1 March, but I can inform honourable members that we expect the average premium increases across all funds this year to be 1.8 per cent. This is the lowest premium increase in at least a decade. It is in line with inflation which, for health care, is a very good effort, given that overseas—in the United States and the United Kingdom—premiums are going up in the order of 10 per cent a year. It has been a lot of hard work and compares to a figure of a 17 per cent increase in just one year under Labor in 1991-92. Of the 44 funds registered in Australia, we expect that eight of these funds will have no premium increase whatsoever. That means around 37 per cent of Australians will have no increase at all in their health fund premiums this year.

The honourable member asked about other comments and expectations. I note that in January the shadow minister for health was going around saying that premiums would go up $140 per family. The fact is that, with this announcement, after the 30 per cent rebate, premiums will be going up in the order of $24 per year per family, less than 50c a week. The Labor Party’s views have to be seen in the light of plain scaremongering, simply trying to scare people with false and misleading facts. If we take it in conjunction with the news yesterday that we have the best results in 17 years for private health insurance increased participation, the fact is our policies are working. We have turned the corner.
Ms Macklin interjecting—

Mr SPEAKER—The minister will resume his seat. The member for Jagajaga seems to believe that unless she interjects to the point at which she gets the chair’s attention she has somehow failed in her duty. I warn her that I will not tolerate further interjections.

Dr WOOLDRIDGE—The Labor Party clearly has no policy ideas whatsoever and has to resort to trying to scare Australians.

Goods and Services Tax: Hotel Accommodation

Mr CREAN (2.52 p.m.)—Mr Speaker, I again ask a question to the Treasurer. In reference to his promise that nothing will rise by the full 10 per cent under the GST, is he aware that the Accor hotel group have announced that they will be increasing all of their room charges by the full 10 per cent when the GST comes in, including at the Novotel Brighton Beach where he has booked a king suite for the Olympics? Does he still stand by his promise?

Mr COSTELLO—There could have at least been a republican suite for me, Mr Speaker. In relation to the Accor group, of course the first thing that will be abolished, as I recall, is the hotel tax which the Labor Party put in in New South Wales. In relation to hotels, the accommodation tax will be coming off.

Ms Macklin interjecting—

Mr SPEAKER—The member for Jagajaga will excuse herself from the House under the provisions of 304A.

The member for Jagajaga then withdrew from the chamber.

Mr COSTELLO—It has always been the government’s belief that there should be a goods and services tax on hotel accommodation. The Deputy Leader of the Opposition would be aware that, when he makes his trips to Paris and London, he pays value added tax on his hotel rooms. I have no doubt that when he goes down to Bordeaux he pays value added tax on his hotel rooms. If Australians are paying value added tax when they go to hotels overseas, why shouldn’t French and English tourists pay a goods and services tax when they come to Australia? Let me make this point: if tourists are coming to Australia, they should be making their contribution to the Australian taxation system, just like Australians make their contribution to taxation systems overseas.

Mr Crean—Mr Speaker, I raise a point of order. My question referred to the fact that he has said that no product would rise by the full 10 per cent. That is the question—

Mr SPEAKER—I presumed the Treasurer had concluded his answer, but he has not.

Mr COSTELLO—I will finish off by saying. Mr Speaker, that it has always been a deliberate part of this government’s policy that tourists into Australia will pay their fair share, just as Australians touring overseas pay their fair share. I believe that is fair and responsible. I also believe that it is long overdue. If there are countries all around the world that are applying value added taxes in that way, Australia ought not to be the one mug that leaves itself out of that system. Unfortunately, under Labor it would be. Under this government, we will have a modern taxation system and tourists into Australia will make their contributions, just as Australians make their contributions to overseas tax jurisdictions.

Share Ownership

Ms JULIE BISHOP (2.56 p.m.)—Mr Speaker, my question is addressed to the Minister for Financial Services and Regulation. Minister, last week the Australian Stock Exchange share ownership 2000 survey revealed that, ‘Australia now ranks first among similar economies worldwide in terms of the proportion of the population who owns shares.’ Would you inform the House as to how this remarkable achievement has been facilitated by the government, and the implications of this achievement for the future of the Australian economy and for the sharing of the benefits of future economic growth across the community? Minister, how does the government’s plan differ from any alternative plans that currently exist on this issue?

Mr HOCKEY—Mr Speaker, I would like to thank the member for Curtin, whose electorate I visited just a few weeks ago, for the
important question about share ownership levels in Australia. Australia is the greatest share owning nation in the world. As of today, 54 per cent of adult Australians now directly or indirectly own shares—that is, 7.6 million Australians—and 41 per cent of the adult population directly own shares. That is up from just 20 per cent in May 1997. Certainly, share ownership in Australia has surged under the Howard government. Much of the credit is due to the privatisation of Telstra. Telstra has 2.1 million shareholders and in Telstra tranche 2, overseen by the Minister for Finance and Administration, 321,000 people for the very first time became share owners.

Mr Speaker, Australia passes the United States in share ownership levels to become number one on the list. The member for Werriwa, who has been good enough to join us in the House today, would have you believe, as he said in a speech in this House last year, that only the top end of town has shares. That is incorrect because 54 per cent of all Australian adults own shares, either directly or indirectly. The good news in this announcement is that, in households with an income of less than $30,000 a year, 22 per cent directly own shares. In households with incomes of between $30,000 and $50,000 a year, 39 per cent directly own shares. So it is not a privilege for the rich; it is particularly a privilege for working Australians. This is also reflected across regions. Forty-two per cent of adults in metropolitan Australia and 39 per cent in regional Australia own shares, which is up from 28 per cent in October 1998. That sort of increase in share ownership is directly attributable to the policies of the government.

There is even better news on the horizon for all those share owners and even better news than that for those people who want to own shares but still do not own shares. Halving the capital gains tax, putting $12 billion of personal income tax cuts back into the Australian economy, putting more money into people’s pockets and abolishing stamp duty on the transfer of shares—these are the incentives that will keep us as the greatest share owning nation in the world.

National Textiles

Mr BEAZLEY (3.00 p.m.)—My question is to the Prime Minister. Is he aware that the National Textiles administrator’s report, revealed this morning, identifies a number of transactions by National Textiles totalling some $18.5 million, which, in the administrator’s view, ‘may be the subject of claims by a liquidator to be unfair preferences’? Is it the case that your support for a deed of arrangement has prevented these payments from being pursued for the benefit of employees and creditors? Couldn’t a liquidation have resulted in, firstly, a 100 per cent payment of employee entitlements; secondly, a far better return to the unsecured creditors, who suffer the most under the deed of arrangement; and, thirdly, the possibility for the Commonwealth to recoup its payments to National Textiles from the proceeds of a liquidation? What independent official assessment did you seek or have as to whether the deed of arrangement would result in a greater return of funds to all creditors, including employees and unsecured creditors, than liquidation?

Mr HOWARD—The Leader of the Opposition persists in his campaign to do the workers of Rutherford in the eye. What this campaign by the Leader of the Opposition is opportunistically about is that he has demanded every to the point of going to Rutherford and demanding that I go into the cabinet day—and I inveigle the Deputy Prime Minister in the process to misrepresent me to the Australian people—that something be done immediately to help the workers of Rutherford. And, as soon as something is done, the Leader of the Opposition tries to have it undone.

Mr Beazley—Mr Speaker, I raise a point of order on relevance. I asked him a specific question about the independent official assessment that he had when he had this matter taken to the cabinet and made a determination on it.

Mr SPEAKER—The Leader of the Opposition asked a very lengthy question, and I saw nothing inconsistent in the Prime Minister’s response.
Mr HOWARD—The starting point of this whole debate is that our concern has been to protect the workers of Rutherford and nobody else. That is what the Labor Party asked before the event that we should do, and they now find it rather galling that we, having done that—

Mr Bevis interjecting—

Mr SPEAKER—I warn the member for Brisbane!

Mr HOWARD—we having been the first political party to offer an entitlement scheme for Australian workers—

Mrs Crosio interjecting—

Mr SPEAKER—I warn the member for Prospect!

Mr HOWARD—the Labor Party is now endeavouring to undo it. But let me return to this canard from the Leader of the Opposition and the Labor Party that, in some way, advocacy of the deed of arrangement was designed to protect the directors. Yesterday I quoted from an article in the Newcastle Herald, which appeared the day I met the workers at Williamtown in New South Wales, in which I pointed out that the administrator had advised the Minister for Employment, Workplace Relations and Small Business that it would be better all around if a deed of arrangement were entered into. I subsequently found two or three more press reports quoting the administrator, John Starr, as saying:

If receiver Prentice Parbury Barilla chose to liquidate the company’s assets, workers would receive nothing.

Mr Beazley—The only advice you had was a phone call from your brother!

Mr SPEAKER—The chair lacks the advantage of having been a liquidator in a former life, so it is difficult to determine what, in fact, legally liquidators should or should not be doing from a professional point of view, but what I, as a layman, have heard from the Prime Minister was entirely consistent with what the Leader of the Opposition had asked. I ask the Prime Minister to continue.

Mr HOWARD—I will continue the quotation from the Sydney Daily Telegraph article. I will read the first bit again:

The administrator said that if the receiver chose to liquidate the company’s assets, workers would receive nothing.

Mr Bevis—Mr Speaker, the reference I made to the administrator’s report was to a report which appeared today. We all know that the administrator’s view on this matter has changed repeatedly over the last two weeks, and the view that was revealed today was the availability—

Mr Beazley—It is relevance. Some $18.5 million would have been available to a liquidator potentially.

Mr SPEAKER—The Leader of the Opposition will resume his seat! The chair lacks the advantage of having been a liquidator in a former life, so it is difficult to determine what, in fact, legally liquidators should or should not be doing from a professional point of view, but what I, as a layman, have heard from the Prime Minister was entirely consistent with what the Leader of the Opposition had asked. I ask the Prime Minister to continue.

Mr HOWARD—I will continue the quotation from the Sydney Daily Telegraph article. I will read the first bit again:

The administrator said that if the receiver chose to liquidate the company’s assets, workers would receive nothing.

Mr Bevis—The only advice you had was a phone call from your brother!

Mr SPEAKER—The member for Brisbane will excuse himself from the House. He had already been warned.

The member for Brisbane then withdrew from the chamber.

Mr McMullan—Mr Speaker, I also raise a point of order with regard to relevance, Mr

Mr Tuckey—Mr Speaker, I have a point of order.

Mr SPEAKER—I will hear the Manager of Opposition Business.

Opposition members interjecting—

Mr Tuckey—Mr Speaker, my point of order is on a point of order—

Opposition members interjecting—

Mr Tuckey—and I have every right to make it.

Mr SPEAKER—Absolutely—and I intend to hear the Minister for Forestry and Conservation; I would do no other—but I first intend to hear the Manager of Opposition Business.

Mr McMullan—I am, of course, raising a point of order with regard to relevance, Mr
Speaker, and I want to make two points. Firstly, the question specifically asked what independent advice the Prime Minister received. Surely it was not the *Daily Telegraph*. That is what he has been quoting. Secondly, the reason you are having to warn so many people on this side is that, consistently, we cannot get the ministers to be relevant to the questions, and that is provoking concern on this side. If you consistently call, as you do and properly so, for this House to have high standards, you have to enforce relevance or you cannot possibly get it.

Mr Tuckey—On the point of order, Mr Speaker: *House of Representatives Practice* is quite clear on the need for taking a point of order on a point of order. Mr Speaker, I point out to you that, as defined in the standing orders, this was frivolous on the grounds that, at the point of its being taken, the Prime Minister had only repeated words which you had clearly ruled were relevant. I would point out to you further, Sir, that if you ask a question about National Textiles you are entitled in this House, on one million precedents, particularly taken by certain people on the other side when they were in government, to get an answer about National Textiles. There has never been a precedent in this House that the answer must be specific to a portion of the words of the question, and I remind you of the words of the previous Prime Minister who said that question time was just extended as a privilege to this House.

Mr Speaker—This is not part of the point of order. The minister will resume his seat. I remind the minister that my comment about his point of order was that his latter sentence was not relevant to the point of order. As I have already ruled, the answer given by the Prime Minister is entirely relevant to the question asked and I invite him to continue.

Mr Howard—I continue the quotation from the Sydney *Daily Telegraph*:

But if the receivers went ahead with a proposed sale of the company to Victorian based Bruck they would receive up to $7 million of their $11 million entitlement paid over two years.

That was on 29 January. On the same day there appeared, in the Newcastle Herald, a further reference saying:

Concerns have been raised that if National Textiles machinery valued at $9 million is auctioned in a liquidation fire sale it will fetch a fraction of its true price, delivering less to workers.

In other words, I am being criticised by the Labor Party for following a course of action which would have robbed the workers of the amount that they are now getting.

Mr Beazley—Mr Speaker, I raise a point of order and it goes to relevance. The Prime Minister has had enough of a preamble, I would have thought. The question asked what independent official advice did he seek or have as to whether the deed of arrangement would result in a greater return of funds to all creditors, including employees and unsecured creditors, than liquidation. I asked this because, as I drew attention to the fact, there is a very different assessment from the administrator today than there was, apparently, in relation to those articles.

Mr Speaker—the Leader of the Opposition has raised, once again, the matter of relevance. In the entire time that I have been in the chamber the answer being given by the Prime Minister to this question on National Textiles is as relevant as answers are required to be to questions given.

Mr Howard—The administrator has reported on his investigation of National Textiles and has concluded:

There is at the end of the day, in my opinion, only one effective option and that is approval of the proposed deed of company arrangement.

The administrator’s report also said:

On a liquidation basis it is estimated that there would only be $645,000 available for distribution to employees, excluding the liquidator’s costs involved with any investigation ...

In other words, we have it crystallised into a monetary comparison. Beazley stood to give the workers $600,000. I have guaranteed them $11 million.

Mr Beazley—Mr Speaker, I rise on a point of order. The Prime Minister was asked a clear question. That piece of assessment by the administrator has been changed repeatedly since then. The point is that the latest gives the lie to it. What I want to know is what independent advice you sought, as was your—
Mr SPEAKER—The Leader of the Opposition will resume his seat. The Leader of the Opposition has raised a point of relevance which bore no more relevance to the issue than the previous points of relevance raised.

Mr HOWARD—The point is that the Leader of the Opposition bungled yesterday and it is a bit late to get back into the game.

Mr SPEAKER—The Prime Minister will resume his seat.

Rural and Regional Australia: Health Services

Mr SECKER (3.12 p.m.)—My question is addressed to the Minister for Health and Aged Care. Can the minister advise the House of recent action taken by this government to improve health and medical services for Australians living in rural and regional areas? Can the minister also inform the House on the situation concerning New South Wales medical services?

Dr WOOLDRIDGE—I thank the honourable member for his question. There has been some comment today, particularly in the *Sydney Morning Herald*, about the issue of doctors in rural Australia. While that article is correct, people should not take that as being the case right around Australia. The issue of attracting doctors to rural Australia is one where federal and state governments interplay. The results around the country are patchy because different state governments approach it in different manners. When we look at the years 1997-98—I have not yet seen the figures for 1999—we find that, in rural Australia, the number of doctors providing a service under Medicare went up 5.3 per cent over those two years. That is a good result and certainly it turns around a 30-year decline. However, when we look at New South Wales we find that the number of doctors in that state went up only 1.9 per cent. New South Wales had the lowest increase of any state in Australia. Tasmania achieved a 20 per cent increase in the number of rural doctors; South Australia, 9.4; Queensland, 5.3; Western Australia, 4.8; Victoria, 4.6; and New South Wales, 1.9. Similarly, with remote area doctors, in that same period—1997-98—the number of doctors providing a service under Medicare went up nearly 20 per cent. In New South Wales it was 5.7 per cent only. Some governments, notably the Queensland government, have had great success. In 1998 the number of doctors in remote Queensland went up 20 per cent. This was due to the very commendable efforts of the former health minister, Mike Horan—efforts, to be fair, that have been continued since he showed the leadership to get doctors into rural Australia.

On the federal government’s part, the single most important thing we did was bring in the so-called provider number legislation which enabled temporary resident doctors, overseas trained doctors and recent graduates to get experience in rural Australia when they would not have been able to practise in urban centres. It also means that the doctor in rural Australia who comes here saying that they wish to practise in rural Australia has to actually keep that commitment. We did not have the capacity to do that previously. We now have state-based rural work force agencies in every state of Australia. Rural retention payments were introduced just before Christmas for the first time to reward doctors who were already in rural areas. This Christmas we will have 600 medical students around rural and remote Australia on John Flynn scholarships. We have a university Department of Rural Health starting at Wagga. This year the James Cook University at Townsville is starting a medical school. The member for Herbert can take a lot of credit for that. The Rural Australian Medical Undergraduate Scholarship Scheme is providing scholarships to get more young country kids into medicine and in this respect the numbers of country kids in med school have been going up very substantially. There is no easy or quick solution here, and I do very much want to work with state governments. New South Wales does have a lot of room to catch up with the rest of Australia, and I look forward to working with the NSW health minister to try to fix that.

Scone Fresh Meats

Mr FITZGIBBON (3.16 p.m.)—My question is to the Prime Minister. Prime Minister, are you aware that Scone Fresh Meats is located in my electorate of Hunter and that, as the local member, I am of course very keen to advise my constituents as soon
as possible whether they are likely to qualify for a special ‘top up’ similar to that provided to National Textiles workers so that they too can get 100 per cent of the legal entitlements owed to them? Do you accept that my constituents are entitled to the same certainty and the same consideration you gave to those who worked at National Textiles? If so, will you now advise me of the criteria you will apply to their application for the top up, and will you table those criteria?

Mr REITH—The government has a program. You never had a program. It may surprise you that on this side we now have a minister responsible. You never had a minister responsible.

Mr SPEAKER—I remind the Leader of the House that it is in fact unparliamentary and something of an offence to the chair to make reference to ‘you’ when you are speaking through the chair. I invite you to respond to the question without use of the word ‘you’.

Mr REITH—Mr Speaker, I am entitled to refer to ‘you’ collectively. I am not referring to any particular individual. The facts are that the Labor Party had no minister responsible because they were never prepared to adopt a policy to actually look after workers.

Mr Beazley—On a point of order that goes to the point of relevance, Mr Speaker, this question was a straightforward technical question seeking advice on the terms and conditions of the top up.

Mr SPEAKER—The Leader of the Opposition will resume his seat.

Mr FITZGIBBON—That is Aberdeen. Mr REITH—No, in respect of Scone.

Mr FITZGIBBON—You are wrong about that.

Mr REITH—In respect of those who have made contact with my department, we have taken details from them. We are taking and obtaining further advice so that we can ascertain—

Mr McMULLAN—On a point of order, Mr Speaker—

Mr REITH—This is a question about what we are doing with these workers. There is no way known this can be irrelevant.

Mr McMULLAN—The minister is addressing the wrong scheme.

Dr Kemp—What is your point of order?

Mr McMULLAN—I am talking to relevancy. The question specifically referred to
the top up scheme and the advertisement to which the minister is referring did not refer to the top up scheme at all but only to the $20,000 basic scheme. We all know what the situation with that is. We want to know what the criteria are for the top up scheme.

Mr SPEAKER—By any measure the comments being made by the Leader of the House are entirely relevant. One could hardly expect a question on the whole issue of compensation to be dealt with by any manner other than the way in which the Leader of the House is currently dealing with it, indicating precisely what the government’s policy will be.

Mr REITH—I point out by way of aside that we have had 17 points of order today, and not one of them has been a fair point of order going to any issue under the standing orders. But in respect of these particular workers, we have made contact with them. We are now trying to ascertain the facts so that we can understand whether or not they are eligible. Furthermore, I can advise the House that I have written to my counterpart in New South Wales, Mr Geoff Shaw, the Minister for Industrial Relations. I have advised him of the approach that we will be taking, and I have asked him to advise me what approach the New South Wales government will be taking. This provides an opportunity for the Labor Party to do something to help these workers. The minister has before him a request from us to know what New South Wales is doing but I hear not one member of the Labor Party calling on the New South Wales government to stand up and participate in a scheme which will contribute to the welfare of these workers.

Mr TRUSS—I spent some time last week with the honourable member for Groom in his electorate. Everywhere we went—indeed, everywhere you go in country Queensland—landholders are angry about the way in which the Beattie Labor government has trampled on their rights in forcing legislation through the Queensland parliament in the dying days before Christmas, introducing draconian new land clearing laws without any proper consultation with the rural sector. This is typical of Labor’s approach to vital rural issues, trying to accentuate the divide between country and city, sitting in their city allotments, which are exempt from Labor’s new land clearing laws, and passing judgment on the activities of farmers. Beattie’s attempts to portray farmers as environmental vandals are utterly offensive and have certainly deeply affected rural and regional Australia, which was quite apparent in Winton over the weekend. The reality is that farmers are overwhelmingly conscious of their obligations to care for their land and they find the treatment by the Labor government in Queensland offensive.

Also remarkable about the Labor government’s decision, in a state that is always very keen to emphasise states’ rights—and the state does have constitutional responsibility for land management issues—is that the moment they stuff it all up and make a botch of their laws, they demand the Commonwealth pick up the bill. What has happened is that landholders, many of whom have been paying money to the state government for years to freehold their land, now have their rights restricted and the state government has no plans in place for compensation. Late one Saturday evening they faxed Senator Hill demanding that he produce $103 million in 48 hours—no justification; $103 million in 48 hours. I know Premier Beattie can find
money to fund secret deals with Virgin Airlines and the like overnight, but this government has a responsible approach to financial management. There was no justification for the $103 million. Indeed, the state government shredded their own report, which put the cost of that compensation very much higher than they had previously admitted.

So the laws were rapidly pushed through parliament just in time for a big TV advertising campaign to commence on Brisbane television. So there was plenty of money for television advertising, and plenty of money for Virgin Airlines, but no money for compensation for the rights they were trampling on. It is clearly ridiculous that the Queensland government should expect the federal government to pick up the bill for their land clearing laws. They need to talk to the farm owners and the landholders in a responsible and genuine way. They need to get workable and reasonable laws. Once Mr Beattie has done those things, then he can start thinking about coming to Canberra to talk to us about what sort of an involvement we should have. His behaviour in this issue has been appalling. He has treated the landholders in Queensland with absolute contempt. It is time that he started taking responsibility for his own decisions.

**National Textiles**

Mr BEAZLEY (3.28 p.m.)—My question is to the Prime Minister and follows from the previous question and extends it. What guidelines has your government developed in the administration of your new special top-up grants program? Do these guidelines require the relevant department to accept, consider and speedily respond to all applications by receivers, administrators or liquidators appointed to companies in financial trouble who do not have sufficient assets to provide full payment of all workers’ entitlements, as you did in the case of National Textiles? Do the guidelines require the relevant department to accept, as you did in the case of National Textiles, the administrator’s views about the best way in which the government should provide its assistance, including, if appropriate, support for any proposed deed of arrangement? If these guidelines have not developed, why should these administrators and the workers they are seeking to protect be treated any differently from National Textiles?

Mr HOWARD—I thank the Leader of the Opposition for the question. I preface my specific answer with a general response which reminds the House of the undeniable fact that Labor did nothing about this problem for 13 years. The first point that has to be made is that we are the first government in the history of Federation to take seriously a proposition that workers retrenched without their entitlements get justice.

We are the first government to do that. None of the bungling, incompetent bluster of the Leader of the Opposition on this issue can alter that undeniable fact. The second general proposition I would make in response to a general and a specific question asked by the Leader of the Opposition in relation to this whole matter is that at every stage we have acted in relation to National Textiles in a way that was designed to help the workers. At every stage—as I read the record of the numerous demands that have been made—we have in fact responded in full to what we were asked to do by the Australian Labor Party. I notice the amiable member for Hunter was on his feet a moment ago. Joel was out there demanding 100 per cent for the Rutherford workers a couple of weeks ago.

Mr Beazley—On a point of order, Mr Speaker. I go to the point of relevance. This is a series of specific questions.

Mr SPEAKER—Yes, I understand. The Leader of Opposition will resume his seat and I will rule. The Prime Minister indicated that he in fact was seeking to make some general statements before coming to the specifics of the question, and that is what he is doing, I call the Prime Minister.

Mr HOWARD—to conclude that general introductory response: at every point the government has in fact met the requests and the entreaties of the Labor Party to do what they never did when they were in government but to do what we have been prepared to do now that we are in government. It will ever be to the shame of the Australian Labor Party that they are now trying to undermine the deal that we did for the workers in Ruther-
ford. Those workers will not forget the fact that the Labor Party has engaged in opportunistic hypocrisy on this issue. They demanded action; they screamed for action; they asked that we do what they failed to do in 13 years. We having now done it, they are in the process of dishonouring and undermining what we have done.

Opposition members interjecting—

Mr Howard—If I had taken last week the advice that the Leader of the Opposition has tendered in the last 48 hours, those Ruthford workers would still be without their entitlements.

Mr Beazley—Mr Speaker, this is about a minute and half’s worth of this preamble. A specific set of questions was asked on the details of this scheme—the scheme which is supposed to be there and be done on behalf of all Australian workers. Where is it and what are its conditions?

Mr Speaker—The Prime Minister was asked to comment on guidelines. He indicated that he wanted to make some general comments before coming to that, and has not concluded his question.

Mr Reith—Mr Speaker, my point of order is that we have now had something like 19 points of order today. Virtually in every case—as every member knows in this House—they have not been bona fide; they have been a debating point taken by the Leader of the Opposition. That has never been the rationale for points of order. You are entitled to raise a point of order if there is a breach of standing orders. Those of us who have sat in this House for a long time know that in fact the way in which questions are posed is very much covered by the standing orders; the way in which answers are given has been entirely relevant by all the precedents—many of which were greatly stretched when Labor was in office. As a government, we have been prepared to take 20 questions a day; we have been prepared to answer questions, and the fact of the matter is that today we have seen just a tactic of disruption. They had a shocking day yesterday, so the word went out, ‘We’ll have as many points of order as possible.’

Opposition members interjecting—

Mr Speaker—The Leader of the House is not now talking to the point of order.

Mr Reith—I conclude, Mr Speaker. The evidence is there. These are nothing but frivolous points of order, and I put to you that they ought to be dealt with accordingly.

Mr McMullan—I want to speak to his point of order.

Mr Speaker—The Manager of Opposition Business has of course already been warned. He knows that if he comes to the microphone, he seeks the call and indicates he has a point of order.

Mr McMullan—I want to speak to his point of order.

Mr Speaker—There is no facility to allow you to speak to his point of order. If you have a point of order I will hear you, but there is no other facility that allows you to address the point of order made by Leader of the House.

Mr McMullan—He did. I want to raise that same point of order that he raised.

Mr Reith—Isn’t that frivolous?

Mr Speaker—Does the Manager of Opposition Business have a point of order?

Mr McMullan—Yes, it is the same point of order raised by the Leader of the House.

Mr Speaker—I will hear the Manager of Opposition Business.

Mr McMullan—The circumstance that we have had today has been a continuing failure of the opposition to get answers with regard to the guidelines of this scheme. That is why you have had continuing points of relevance.

Mr Speaker—The Manager of Opposition Business will resume his seat. Everybody who has been in this House for as long as the member for Cunningham or me knows that in fact the way in which questions are posed is very much covered by the standing orders; the way in which answers are given is not covered by the standing orders, apart from the requirement that they be relevant. Every member in that position also knows that the answers that have been given have been consistent with the style of answers given for as long as all of us who have been
in the House for that period of time remem-
ber.

Ms Kernot—Maybe that’s the problem.

Mr SPEAKER—if the member for Dick-
son insists on interjecting, that poses some-
thing of a problem. She knows as well as
everyone else in the House that the manage-
ment of that problem is something that is in
the hands of members of the House and not
the chair. I call the Prime Minister.

Mr HOWARD—Mr Speaker, could I just
observe that this question time has gone on
longer than any question time since this gov-
ernment has been in office. There are two
reasons for that.

Opposition members—No answers!

Mr HOWARD—one of the reasons for
that is my determination to allow the full 20
questions today so that the opposition would
have a complete opportunity to ask me any-
things they liked about the issue of National
Textiles. The second reason has been the de-
termined campaign of the Australian Labor
Party through frivolous points of order. The
Leader of the Opposition specifically asked
about the elements of the government’s ap-
proach. The minister announced last week—

Mr Fitzgibbon—Mr Speaker, I rise on a
point of order.

Mr SPEAKER—the member for Hunter
will resume his seat. Under what standing
order does the member for Hunter want to
raise a point of order? I did not seek to em-
brass the member for Hunter. I wanted to
know whether he was raising a point of order
under the matter of relevance.

Mr Fitzgibbon—I am not sure that the
standing orders extend to people misleading
the House, Mr Speaker. The Prime Minister
has indicated that he allowed question time to
run so that every member could ask any
question—

Mr SPEAKER—No. The member for
Hunter will resume his seat. The chair cur-
cently has before it a question asked by the
Leader of the Opposition to the Prime Min-
ister to which the Prime Minister was re-
ponding before points of order were taken. I
invite the Prime Minister to respond to the
question.

Mr HOWARD—as the House would be
aware, last week the Minister for Employ-
ment, Workplace Relations and Small Busi-
ness announced the details of the safety net
scheme, which it had always been intended—
and on this occasion I rely on the authority of
the Leader of the Opposition amongst many
others—would operate from 1 January. I un-
derstand from discussion with the minister
that he has been in consultation already with
the states. There are to be further discussions.
It is contingent on state participation. It al-
ways has been my understanding that it was
contingent on state participation.

In relation to the top-up element, I indi-
cated last week that the sorts of criteria that
would be brought to bear there related to not
only areas of particularly high unemployment
but also industries that have been subjected to
severe and continuous economic change.

Ms Roxon interjecting—

Mr SPEAKER—I warn the member for
Gellibrand!

Mr HOWARD—I might say to those op-
posite who interject that, on both of those
counts, the approach that this government has
taken not only has been well in advance of
what the Labor Party did but has shown a
sensitivity to the working men and women of
Australia that the Labor Party were monu-
mentally unable to do. The situation is that
the Labor Party continue to be embarrassed.
It troubles me not that that embarrassment
continues to 20 to four in the afternoon be-
cause on this occasion they have tried to un-
dermine a decent attempt by this government
to help working men and women in the re-
"gional areas of Australia. I am far from being
embarrassed by it; I am proud of what my
government has done for the working men
and women of Australia. We have not only
done, in a specific case, something that those
opposite were unprepared to do. In the time
that we have been in government, we have
presided over a significant increase in real
wages, we have seen a reduction of $266 a
month in the mortgage payment of the aver-
age working family in this country, we have
generated 600,000 new jobs and we have
seen unemployment fall to its lowest level in
10 years.
ble of looking after the working men and women of Australia.

I ask that further questions be placed on the Notice Paper.

QUESTIONS TO MR SPEAKER
Questions on Notice

Mr DANBY (3.41 p.m.)—Mr Speaker, under standing order 150, will you write to the Minister for Financial Services and Regulation regarding his failure so far to answer my question on prosecutions for GST profiteering, No. 1063 on the Notice Paper of 25 November?

Mr SPEAKER—I will follow that matter through as the standing orders allow.

AUDITOR-GENERAL’S REPORTS
Report No. 31 of 1999-2000

Mr SPEAKER—I present the Auditor-General’s audit report No. 31 of 1999-2000 entitled Performance audit—Administration of tax penalties—Australian Taxation Office

Ordered that the report be printed.

PAPERS

Mr REITH (Flinders—Minister for Employment, Workplace Relations and Small Business)—Leader of the House) —Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings.

Motion (by Mr Reith) proposed:

That the House take note of the following paper:

Review of Implementation of the Strategic Plan of the National Health and Medical Research Council 1999-2000.

Debate (on motion by Mr McMullan) adjourned.

BILLS RETURNED FROM THE SENATE

The following bill was returned from the Senate without amendment or request:

Petroleum (Submerged Lands) Legislation Amendment Bill 1999

Matters of Public Importance

Goods and Services Tax: Package

Mr SPEAKER—I have received a letter from the Deputy Leader of the Opposition, proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The failure of the government to honour its promise that the GST package would make everyone better off, be good for the economy, be simple, easy to understand, not a burden on regional Australians and not an administrative nightmare for small business.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the standing orders having risen in their places—

Mr CREAN (Hotham) (3.43 p.m.)—Yesterday we saw two guises of the Prime Minister: one as his brother’s keeper and the other as Corporal Jones of Dad’s Army—you know, the one that is always running around imploring the troops not to panic. This was the Prime Minister in his party room yesterday. I can see smiles on the benches opposite because they know exactly what I am talking about. The reason that they have panicked is the GST. It is because this dog of a tax is biting everywhere, and they know it. They have been getting feedback through constituents all over the summer period and since they have been back in their offices. Members from everywhere represented in this House are feeling it—complaint, confusion and hurt—and all of it the government’s own work, all of it associated with the GST.

While the Prime Minister is in there as Corporal Jones, saying, ‘Don’t panic. Don’t back down; backdown is death,’ his own members out there are saying exactly the opposite. They are promising to back down. Just to give some indication of that, look at what happened with Larry Anthony, the member for Richmond. The Leader of the Opposition referred to this today. There would be no change on caravan parks, but this is what Larry Anthony was telling his constituents. See if you can make anything of this, Mr Deputy Speaker. He is quoted as saying:

I mean, technically speaking, of course, the 5% rule about to be put in place, I think, was perhaps, in some caravan parks when you have the traditional view of caravan parks, which is not the
view here. I know that, and that is a view—well, perhaps that might make it easier because people are coming and going. Well, the facts are they are not. And I think there is a legitimate grievance that you have, and that is precisely why I have this guy come up and Matt and others and Allan to put their case to him and went and had a look at some of them. I didn't realise. I had no idea. They're little houses.

What gobbledegook! This is a member, a minister of the Crown trying to sell his GST. Not only could he not explain it but he then went on to say:

I can't give you a guarantee, because I would be fibbing to you, but I do hope that there can be change there. And of course, if you do charge the 5 %, well it really shouldn't be on savings now. Whether it happens or not, I don't know. I think perhaps there is a way forward because other members of my party have raised this issue with Prime Minister, and I hope I can come back to you shortly, and I will through your representatives, and hopefully there can be a change.

What total and utter confusion! What total drive! And with a commitment to try to roll it back. But, he will not come down here and argue it in the cabinet room. He will not come down here and argue it in his own party room but he will scurry back to his electorate, and when he is confronted with another example of how this dog of a tax is biting, he will say, 'Hang on, hang on, I'm going to try and roll it back.' So you have the Prime Minister yesterday saying, 'Don't panic. Rollback is death,' and you have his own ministers and members going out and saying that they are trying to roll it back.

But John Howard and Peter Costello will not back down. They will not back down unless the weight of public pressure and a campaign is brought to bear on them. The reason they will not back down is that, essentially, they want to roll this thing forward. And if there is any doubt about that, just have a look at what the Prime Minister said the day that he returned from holidays—you know, from Kirribilli and all those parties and putting in the new cool room to keep all the drinks on ice. The Prime Minister, when he had to rescue the hapless Joe Hockey, who has borne the brunt of the blame for having caused all this confusion over the Christmas period, was asked on the Today program how he was going to handle the anomalies. He said:

Well, Steve, I mean, I think the GST should cover just about everything. See, the whole essence of a goods and services tax, remember, is to have it on effectively everything.

So let us understand this. Going into the next election, people will have a choice of parties—a party that wants to roll the GST forward and one that wants to roll it back. Understand that, because whatever the pressure the Prime Minister is under at the moment and whatever concessions he is forced to make, his intention underneath it all is to strip them away and either increase the GST or widen its scope. People should understand that. Let us just understand what has emerged over the Christmas period. Not only have we seen the government's fortunes plummet in the polls; we have seen massive confusion out there about how this tax is going to apply. People no longer think that this is a tax that is good for the economy. Why? Because they have now seen two interest rate hikes since this GST was legislated. We know the reason why interest rates essentially go up; it is because inflation goes up. We know that there has been anticipation of inflation. There has been pressure in the housing market because people are trying to beat the GST. We know that the Reserve Bank is concerned not only about the anticipation of extra price rises but also about the consequences for a wages break-out.

The GST is what has been fundamentally responsible for the interest rate hikes. Understand that the reason the GST is not good for the economy is that it adds to inflation and that fuels interest rates. Understand this about the interest rates: for all of the argument that this government gives about the promised tax cuts—just wait until they come in on 1 July—they are disappearing because of the interest rate hikes. In fact, we have had Ann Harding out there indicating that there are now significant groups in the community, people with mortgages, who, because of the interest rate hikes and because of the Timor tax, will be worse off as a result of this GST coming in.

Not only is it hitting punters and the economy; it is hitting small business. This gov-
ernment has given the small businesses of this country the privilege of being its tax collectors. Every small business now that a member of that side of the House goes and addresses will be looking at them through the eyes of being new tax collectors for John Howard’s and Peter Costello’s GST. They have been given the privilege of doing that, which none of them wants, but they are given no assistance. They are expected to do it. The government has saddled them up with this thing, but it has put weight in the saddlebags. You cannot get an answer from the government as to how this is going to apply. You have enormous cost consequences for the small businesses around this country, and what has the government given them? A paltry $200 voucher. There are countless examples. You just have to go out and check in your electorate for the costs that businesses in this country are going to have to invest in to get the machines, equipment, software and advice to deal with this thing. It is an unnecessary tax. It is a bad tax. It is an unfair tax, and it is a tax that is going to damage this economy. That is why we are fighting it.

Over the Christmas period, we saw a whole string of confusing indications from the government. First of all, on the issue of rounding up, the Minister for Financial Services and Regulation, Joe Hockey, said that companies could round up above 10 per cent, only to be rung by the Prime Minister and told, ‘Keep them down.’ Now the government is out there saying, ‘Rounding up can’t go above 10 per cent,’ almost as if it were a virtue. During the election campaign, before this was legislated, how much did the government tell us that prices would go up? They said that prices would go up by only 1.9 per cent. That has since been revised upwards by 50 per cent, and now they would have us believe that it is a virtue — that, instead of price increases of 1.9 per cent and 2.5 per cent, they are really looking after your interests, because prices will not go up by more than 10 per cent! Indeed, the Treasurer was caught out today. He has been on the radio, constantly saying that no price will go up by 10 per cent, and we have given him three examples that he cannot answer.

Children’s clothing is being ticketed in Big W stores around the country with the before and after GST tag. The after GST tag is the full 10 per cent on top. Where is the control there, Minister? And then, after the minister gets a hurried piece of paper, we are told that the ACCC is aware of it. Well, what are they doing? Given that this debate about dual tagging has been going on, how is it that this has been able to get through? No wonder the government did not want to allow dual tagging. No wonder they did not want it. That is why Labor continue to call for the impact of the GST to appear on receipts.

We have also seen the Treasurer stumble over the government’s commitment to petrol prices. Remember that they said that the GST would not result in petrol going up? Yet the Treasurer went on the Sunday program a week and a half ago and said, ‘There are limits to that promise.’ Too right, Treasurer; they are the city limits. It means that regions and the bush are going to be slugged again, and the National Party is standing by and letting it happen.

We will continue to oppose, to scrutinise and to expose the falsity and the deceit associated with this government’s campaign. We fought tooth and nail to defeat it. It is an inherently unfair tax. We rejected the Democrats doing a deal on it. You cannot make this thing fair. It is inherently unfair, and it is also bad for the economy. We also argued that, once it was in place, you could not unscramble the egg. That remains the case. However, Labor are opposed to the GST and remain so. If it were possible to stop the GST in the lead-up to its implementation, we would. But, as much as we dislike the tax, by the time of the next election those interlinkages and relationships will be in place. By then it will not be possible to unscramble the GST egg. We can, however, ease its worst effects. We can make it less unfair. That is what Labor are committed to doing. We will lift the burden of the GST from the shoulders of ordinary Australians. There will be a clear choice at the next election: if the government is returned, they will roll it forward; Labor will roll it back.

Five months before the GST has been put into place, many of its unfairest aspects are
beginning to emerge, ranging from individual anomalies to the enormous compliance burden and the fundamental breaches of promises. The government promised that there would be no losers. They promised that there would be no petrol price rise, and they promised that charities, education and health would escape the GST. Witness the tampon issue—a clear and blatant breach. The inflation impact would be small and one-off, it was said, and interest rates would not go up as a consequence. They said there would be no taxes on taxes, yet we are seeing a triple tax on petrol and there will be double taxation imposed on a whole range of state and local government services. The full extent of these problems, however, will emerge only after the GST has been in place for some time. We cannot tell you how we will lift the burden until we know how much money is available and who it is going to hit. We will not know either of those things until the tax has been operating for some time. I see the minister is laughing about that, but even the government cannot say how their tax will apply. Minister after minister is trying to defend it. You would not have a clue!

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (3.58 p.m.)—What a remarkable contribution we have just had from the man who is supposed to be advising the people of Australia on what Labor’s future tax policy will be. His speech was carefully scripted. Every word was carefully chosen. Labor seek to unwind their tax policy—to get away from all the rhetoric that they have used week after week. They say, ‘Yes, we hate this tax,’ and, ‘Yes, it is evil, but we are going to keep it.’ ‘You can’t fix it,’ said the Deputy Leader of the Opposition. He rejects the deal with the Democrats. There are no compromises to make it work, but ‘We’re going to do that.’ They make all the excuses to keep the tax. They want the money; they know they cannot take the money from their Labor colleagues the state premiers, who have queued up at the Premiers Conference to sign the deal first.

They know full well that the GST is providing revenue to the states, resolving issues of vertical fiscal imbalance between the Commonwealth and the states that they will never be able to unwind. They know full well that this tax system reforms Australia’s way of doing business for the good. They know that it brings real advantages to our nation. They know that it lifts the burden of taxes off exports and will improve our capacity to compete around the world. They know they cannot unwind that.

We saw today the first meagre attempts from the opposition to excuse themselves from all of their empty rhetoric over the months, all of their idle promises and all of their television advertisements during the previous election campaigns. All of that was empty. It meant nothing. They knew all along they were going to keep the GST. After all, most of the people on the frontbench have been previous advocates of a GST. Most of them were part of arrangements in previous regimes when they were in government and they actually proposed a GST. I might add that there was no talk of income tax cuts associated with it. There was certainly no compensation for pensioners. Their performance under Labor would lead everybody to the
view that any changes Labor choose to make should the country be unfortunate enough to be left with a Labor government following a future election would all be bad news for pensioners and bad news for business. They would make the tax system inherently unfair, particularly for the disadvantaged in our community and particularly for rural and regional Australia. Surely even the shadow Treasurer must have been choking when he spoke about fuel pricing issues. This, after all, was the party that, while in government, increased fuel excise something like fivefold without any compensation. They thought nothing of massively increasing fuel excise every budget, having little regard for its impact on rural and regional Australia. Now we are asked to believe that they suddenly care about the impact of taxation on country people. Indeed, it has all been empty rhetoric of the classic Labor kind.

The reality is that Labor have no plans whatsoever about how to reform the tax system, and the shadow Treasurer’s comments made that abundantly clear today. He said, ‘Yes, we are going to wind it back. Even though we know it can’t be wound back, even though it can’t be fixed, we’re going to wind it back. We don’t know yet how we’re going to wind it back.’ We have only been talking about this for six or seven years, but they have not yet had any time to figure out how they are going to wind it back. They have not had any experience with it working. I suspect that they have actually been asleep. They have not watched 150 other countries of the world that have managed to have a GST. Australia is amongst the leading and best educated countries in the world. I find it hard to believe that the Eastern bloc countries and many of the Third World nations have managed to make the transfer to GST with so little pain, so little suffering, and yet, in Australia, the Labor Party try to tell us that it is going to end civilisation as we know it.

I was quite interested in the reference to and the crocodile tears about the 10 per cent GST on hotel bills. We, of course, saw a very embarrassed opposition when, in the answer, the obvious point was made that the first thing that is going to happen is that Labor’s bed tax is going. Labor’s precious, beloved bed tax, like their precious, beloved wholesale sales tax, is going to go. The Treasurer was absolutely right to make the point that, whenever Australians travel overseas, they pay GST on their travel bills. Of course, that is unless they go to Botswana and Swaziland. They must have the most booming tourist industries in the world because they have no GST on their hotels—people flocking around to get on Botswana airlines to rush across so that they can stay in GST-free hotels. I suspect that even the shadow foreign minister, who is noted for travelling to many of the exclusive venues of the world, has not been to Botswana and Swaziland. If he has I would be very interested to see his GST-free hotel bills, because I am sure that is the really telling point in encouraging people to travel around the world.

The clear message coming from Labor’s presentation today is that, whilst they are very happy to try to scare people who are perhaps uncertain about what the future may bring, whilst they are happy to play on the fears of and, indeed, endeavour to create fears in the minds of pensioners and the disadvantaged—those who perhaps are anxious about whatever the future may hold—they have no answers. They have no ways in which to resolve the issues that they seem to think are going to end civilisation as we know it. I often make the point that something like 150 other countries of the world have managed to make the conversion to a GST quite successfully. Australia is amongst the leading and best educated countries in the world. I find it hard to believe that the Eastern bloc countries and many of the Third World nations have managed to make the transfer to GST with so little pain, so little suffering, and yet, in Australia, the Labor Party try to tell us that it is going to end civilisation as we know it.

I know the Labor Party are there to criticise. I know they feel a little bit irrelevant—suffering relevance deprivation syndrome—especially when it comes to tax issues because they have never had any tax policy to speak of. But the reality is that they do not fill the vacuum in their own minds by just
vacuum in their own minds by just empty words without any real solutions. I am looking forward to these miraculous cures that Labor are going to have to resolve all of the issues that they have raised over the years in relation to the GST. They will probably get up and say, ‘We really don’t like this tax—this is really terrible—but we want the money and so do our state Labor colleagues. So we are going to keep the money but we are going to fiddle here on the edges and probably put some other taxes up along the line,’ so that they can continue to collect the money with some little bit of window-dressing around the edges.

If I were in a rural and regional area, as my electorate is, I would say that would be the part of Australia that would have most to fear from Labor’s unmentioned changes to the tax system. Every previous time that Labor have needed to raise some money, the first thing they have looked at has been increasing fuel taxes, putting the price up—‘It doesn’t matter, they’re out in the country’—and they do not seem to care as Labor divide country from city. The reality is that the coalition government is delivering to the Australian people not a new tax but a new tax system. There will be a radical change in the way in which taxes are collected in this country. People will get to keep more of their income, more of what they earn, because income tax rates will go down—although some things will be more expensive to buy—and in that way people will have more discretion over the way in which they spend the money they have earned, more control over the use of their own money.

I think these measures will be warmly welcomed on 1 July 2000, when people start to get significant income tax cuts in their pockets, families with young children start to get increased benefits and pensioners get a real increase, not just compensation for the GST with more discretionary spending. These benefits to families will not be insignificant. A one-income family on $30,000 a year with two children, one aged under five, will get a tax cut of $71.32 per week. That is a very significant tax cut on an income of $30,000, and that is going to be real additional discretionary expenditure.

What has become clear is that much of the opposition scaremongering about price increases is just that. No lesser an authority than Choice magazine has published a list in their January-February 2000 edition of what you can expect to happen to your weekly shopping bill after the introduction of a GST. Is it going to go up by 10 per cent? Is it going to go up by nine per cent or even by eight, seven, six or five per cent? In fact, it is going to go down. The average price for items will result in a basket cost of $3.12 less a week. So all of the scaremongering about 10 per cent being on this and all those sorts of other percentages all over the place are simply not demonstrated by the facts. If you have gone to countries around the world other than Botswana and Swaziland, you will have seen the experience of the introduction of a GST, and there was not a 10 per cent across-the-board price rise in any of those countries.

So what are Labor going to do about it? How are they going to fine tune it? Are they going to take away this $3.12 saving on their food and shopping bills that people will get under the GST arrangements? Do they have some other way—to use the words of the Deputy Leader of the Opposition—of fine tuning the system ‘to make it fair’? The reality is they have no plan. Their only idea is the WST and to suggest that the wholesale sales tax is fair, simple and easy to administer. Their suggestion that businesses are horrified about the prospects of introducing the GST is simply not supported by the Morgan and Banks survey that was published yesterday in the Courier-Mail. ‘Bring on the change, say the firms’—in a newspaper not exactly noted for lauding the activities of the coalition. In my electorate I was interested to read in the Biggenden Weekly, the most prestigious newspaper in Biggenden, an article about the Biggenden Thrifty T store, which has gone modern and updated its cash register and scales in readiness for the GST. The couple who are running that store, Barb Sharps and Elaine Cross, say they are looking forward to the introduction of the GST. They see many advantages for their business with the upgrades they have installed as they will not have to price mark any goods when those goods come into the store. So they have updated their system and they—and this is a
small country store in a little town—are looking forward to the introduction of the GST and to taking advantage of the opportunities that the government is providing to upgrade their accounting systems in their store to make life easier for them.

There are many advantages associated with this package and it will be essential, over the next month, that there be an effective education campaign so that people are aware of how the new system will work and how they can take advantage of its benefits. In my portfolio area a lot of information is being produced to particularly assist farmers to adjust to the new tax system. Farmers will be major beneficiaries under the new arrangement. About a billion dollars worth of farm costs are expected to go as a result of the tax changes. Their exports will be more competitive because there will not be embedded wholesale sales tax in what they are doing. Their fuel will be cheaper, particularly the transport fuel. One of the great things about the new tax system is the way in which we are moving to remove some of the disadvantage associated with living far away by lowering the costs of fuel, of freight and of bringing items to the port. It is estimated that the grain industry alone will save $30 million as a result of the lifting of the excise on rail freight. Those are big ticket, significant items that are good for our country. So we will have a new tax system that is not only good for individual Australians, families, pensioners and business but, most importantly, good for our country, and that will help bring our present tax system into the 21st century. Taxpayers will benefit from greater take-home pay and more discretionary expenditure and our country will benefit because of the encouragement that will provide to industry to invest and to expand and to build a better future for the taxpayers and their families.

Mr WILTON (Isaacs) (4.13 p.m.)—Well might the member for Moore and his meagre handful of colleagues dare enter the chamber to witness the pathetic defence of the GST by the Minister for Agriculture, Fisheries and Forestry. Well might they hang their heads forlornly while listening to his defence of this debacle that is a GST. They can bury their heads in the sand, now that they have finally withdrawn them from the sand. Either way, this government is blind to the reality that the GST is overall an insidious tax that this government, a government in terminal decline, lacks the wherewithal to implement. Not only does the electorate recognise this but as poll trends show—the government is watching them daily as its fortunes plummet—the electorate condemns the government for continuously underestimating the price effects of the GST.

Let us examine in greater detail why this government is in terminal decline over this rotten, heinous tax. Let us first look at the confusion generated by Minister Hockey recently on the rounding-up issue. To continue with the anatomical analogies I opened with, he stuck both feet in his mouth on 14 January this year when he claimed that the price of petrol would fall under the GST when the PM and Treasurer had already been around the nation attempting to explain that the price of petrol need not rise under the GST. This simply expands the widening gap between urban and rural Australia. Minister Hockey’s hands remain muddied and sullied because he refused to release the formula by which petrol prices need not rise—let alone that by which they might fall—as he thumped his barrel chest and announced they would. Mind you, under that barrel chest there beats a heart as hard as a railway seat. It is a characteristic of those opposite: hard hearts and soft heads.

The confusion for motorists and the deceit which I have just outlined continue beyond the issue of petrol prices because, as we well know on this side, the GST package released back in August 1998 stated that the price of cars would fall by 8.3 per cent—a clear and unequivocal undertaking. Yet on 7 February the Minister for Industry, Science and Resources, Senator Minchin—speaking of hard hearts and hearts as hard as railway seats—told a Senate estimates inquiry that car prices may not fall at all. Indeed, 14 January may have been black Friday for the member for North Sydney, Junior Joe, because on that day he went even further and admitted that the ACCC, the price watchdog, had advised that firms could round up prices to the near-
est dollar as a result of the GST. After initially exhorting that prices will not rise by 10 per cent, the minister conceded, with both bowed head and furrowed brow, that prices could stealthily rise by more than 10 per cent. So, contrary to the government’s rhetoric that the ACCC would ensure that prices do not increase by more than 10 per cent, it now appears that it has given its imprimatur to this. It is really a pity for the world’s strongest and oldest social democratic party that these admissions were not made during the last election campaign, because I have no doubt where we would be sitting right now.

As we all know, the government said that the GST would raise prices by only 1.9 per cent. Now it is saying that rounding up means they cannot go above 10 per cent. In another example—one close to the stomachs of many on our side—Treasury officials told the Senate last week that beer sold over the bar will cost seven per cent more because of the GST, which is, typically, contrary to the statement of the Prime Minister on 23 September 1998 that claimed that ordinary beer prices would not rise by more than 1.9 per cent over the bar. If rounding up is supposed to be capped at 10 per cent, the impact of a GST is going to be significantly more than 1.9 per cent. This confusion means that it is essential that the detail of the GST, what people are paying, be fully disclosed on receipts. The government’s argument that this is too hard is nonsense; it is just another attempt by this government to keep people in the dark and deny them their right to know. The only way that consumers can act on the ACCC’s call to monitor and police GST rip-offs is if a breakdown of the price appears on cash register receipts.

This is a confused system—especially if you are thinking about dying. 2UE ran a story on talkback radio back in January of this year about a lady who was told by a funeral parlour that if she pre-paid her funeral before December last year it would not attract a GST but that such a 10 per cent impost would apply if she pre-paid her funeral in January. The undertaker then told her that if she died before 1 July she would get her 10 per cent back. It is not much good getting your money back if you are dead, although I reckon that a few of those opposite have long since carked it but are still getting paid.

The government has continued to allow confusion to reign on insurance premiums. I cite the equally lucid example of the fact that it said the GST will not apply to stamp duty, but of course it does apply to the base premium. The government has not demanded that the states not apply the stamp duty after the GST has applied. So, for consumers, it does not matter whether the GST is applied on or before the stamp duty. The punters are still slugged twice and, contrary to the government’s promises, this is still a tax on a tax. This is despite the fact that the government—and I reiterate this—promised that there would be no doubling up on tax. The government should end the confusion and tell the states that they cannot levy stamp duty, which should stand alone and be treated as such.

I repeat that the government said that there would be no double tax grab. Obviously, these pea and thimble tax cuts were applied on a 1.9 per cent inflation rate, so the value of the compensation package plummets as that rate increases. When inflation rises, interest rates follow; with our burgeoning household debt to savings ratio, the impact of these GST hikes will be felt not just on mortgage payments but on consumer credit repayments as well.

This is a deeply insensitive government. For example, it is insensitive to the health needs of women in refusing to exempt tampons, breast pumps and feeding pads, while simultaneously moving last year a special provision in its GST bill to exempt high rollers in casinos from the impost of the GST.

Ms Roxon—Shame!

Mr WILTON—Shame, as the member for Gellibrand rightly says. The punters are slugged once again. Day by day the impact of the GST is becoming clearer and clearer. You cannot believe anything this government says or does on the GST or on its impact on Australians.

There are two basic problems with the GST. First, it is regressive and unfair because it applies the same to everyone regardless of income and, as is being revealed day by day
and now hour by hour, things that were supposed to be excluded are enmeshed in the net. The second problem is that it is a compliance disaster, and the government should be held accountable for both confusing and misleading the nation, because people deserve to know how this tax is going to be applied and its true price effects. They want to know that this is a simple tax and not indeed a complex nightmare. The government clearly is lacking in a coherent strategy. If its senior players cannot understand the GST, how are punters supposed to? This is a tax in total chaos, and the government stands condemned for it.

Mrs GASH (Gilmore) (4.23 p.m.)—The matter of public importance states: ‘The failure of the government to honour its promise that the GST package would make everyone better off, be good for the economy, be simple, easy to understand, not a burden on regional Australia and not an administrative nightmare for small businesses.’ This is an interesting topic indeed and a very serious one. The Labor opposition has asked us about supposed failure to keep a promise. What a joke. What hypocrisy. What a weak opposition you are. But I will give you credit for one thing: you are experts at scaring people. You are experts at picking the most vulnerable in our society and having a go. You laugh at the people of Australia, and in particular the people of my electorate of Gilmore. This barb comes from the same party that went to an election saying ‘No new taxes’ and then immediately increased its wholesale tax rates without telling or consulting anyone. I do not think I would like to talk about promises with that kind of record.

We openly told people what we wanted to do, what needed doing, before going to an election. The people of Australia heard the logic in our message. The states trampled one another in the rush to sign up, and they will all be getting the revenue from the new tax system so that they can build more hospitals and schools, fund more police and improve our roads—all the things that the people want and are continuously asking for, particularly in the state of New South Wales, which has a Labor government. Yet you are standing there on the other side, perfectly happy to tell people what a bad thing the GST is. Don't you talk to Bob Carr? He beat the rest of us to be the first to sign off and receive the benefits of the GST. He looked at our plans and said, ‘Yes, this is a new tax system and it is good.’ It will deliver what the people need to rural areas, regional areas and the city, and everyone will be better off. Where is your plan, Mr Crean? Where is your alternative, Mr Beazley? What is your policy to help keep the country moving forward? We are not interested in allowing Australia to fall into another black hole. We are certainly not going to allow another ‘recession we had to have’. No, we understand that the full tax reform plan has to happen for the people of this nation.

We understand that to do this is not easy. We could, like the Labor Party, have done absolutely nothing and would probably have won the election with more ease than we did, but that does not help this nation. We took on responsibility as a government should and had the guts to make a stand, but I can assure you that it was not for political gain. In my own electorate right now the state Labor member is talking to our constituents and telling them a whole lot of bunkum. It is a well-known tactic: light lots of little fires around the district with your lies, then sit back and watch me put them out one by one, stopping me from being able to work for my people. But I do not think the people of Gilmore or Australia will thank the Labor Party for putting them through all this worry and anxiety just to play political games or just to score political points in the parliament. This government is about getting the job done. While my state Labor member is running around upsetting people and telling them lies and half-truths, I, like the rest of this government, am talking to the people, actively seeking out anyone who may think they fall through our safety nets so that we can assist them. This sounds like another Y2K to me: all the scaremongering, all the media hype, and when the day comes—absolutely nothing. Your MPI is a joke. It asks why a GST package would be better for everyone. What you fail to mention is that tax reform goes hand in hand with the GST. You fail to mention that every working Australian will receive tax cuts. Why don't you mention this? You know it is true. It is no wonder that you
are known as the party who will say or do anything just to get a vote.

Let me remind those opposite of the savings that will apply. I would like to read out the tax cuts. Those who at the moment pay 20 per cent tax will see the rate go down to 17 per cent. Those who are paying 34 per cent tax will be paying 30 per cent tax. Those who are paying 43 per cent tax will now be paying 42 per cent tax. Does the Labor Party really want to stop this? In Gilmore the average wage is around $26,000 per family, and that is not a lot. I know that those families will receive tax cuts of at least four per cent, giving millions more to spend in the electorate of Gilmore. So, yes, my people will certainly benefit, as will all families. And we are ensuring that the low income rebates of up to $150 will remain.

You ask how we will honour our promise that it will be easy and simple to understand. That is easy for us, and let me read to you what is already available, in case you are not aware. Booklets are available at the moment on business and professional services, importing the new tax system, charitable and religious organisations and building and construction. I could go on and on. There are at least 34 of these booklets available. I know that all members on the government side are distributing these booklets far and wide and taking special time and care to see that their constituents are aware of just how easy it will be for them. I challenge those opposite, including the Leader of the Opposition and the Deputy Leader of the Opposition—who, by the way, after making this MPI and asking for it have not even the decency to stay and listen to the answers. So my challenge is this: just how many of the members opposite have taken advantage of the facility to eliminate any concern about this package? Or are you intent on generating more fear and more apprehension?

Let me now turn to your alternative, the wholesale sales tax system—you know, the tax system that no-one knew about because you kept it hidden so well. For example, your tax on biscuits was 12 per cent but under the GST it will be 10 per cent; kitchen utensils, 12 per cent, GST only 10 per cent; baby powder, 22 per cent, GST only 10 per cent; washing-up detergent—I hope all you fellows use it—22 per cent, GST 10 per cent; pet food, 22 per cent, GST only 10 per cent; shampoos and soaps, 22 per cent, GST, 10 per cent. I could go on and on.

I really am enjoying this MPI, for I had forgotten just how deceitful these hidden taxes are. I had forgotten just how much the Labor Party has misled the people in regard to what the real price of goods is. For example, take learn to swim items for children—22 per cent. Disgraceful. It will be only 10 per cent with the GST. How many of you can remember playdough? It is now 22 per cent and will go down to 10 per cent. I could go on and on. The GST and tax reform will not be hard to administer. In fact, it will be a whole lot easier than those hidden wholesale taxes that Labor had ranging from 12 per cent to 41 per cent, and they never told the Australian people when they were increasing them. The GST will not be a burden for Australia. Let me quote you an article about small business. It states:

A small business operator in Albury who manufactures and exports Malibu boats, recently commented to the Minister for Trade, Mark Vaile, that he is very much looking forward to the introduction of the GST. He simply cannot wait for the GST to arrive because the boats he will be selling after 1 July 2000 will be sold at 1997 prices. Tax reform will drastically reduce the tax on his business inputs, meaning he can sell his boats at more competitive prices.

The International Monetary Fund endorsed Australia’s economic management. Eleven present systems will be replaced by one, that is, provisional tax, company tax, farm management deposits, pay as you earn—I could go on. Up to 32 different payment periods will be transformed into four under PAYG. Multiple business numbers will be transformed into one under the ABN number. It was acknowledged again in last Sunday’s Sun-Herald on page 61 where Chris Jordan, Chair of the NTS Advisory Board said:

Some media have carried exaggerated reports on the cost of compliance to small businesses with the introduction of the New Tax System. I could go on explaining because I have a lot more. I wish I had a lot more time; it is really a lot of fun. Before I finish I would like to note the member for Hotham’s unjustified
attack on the member for Richmond. Of course the member for Richmond recognises the needs of his constituents and the issues faced by mobile home residents. He is duty bound as an elected representative to bring any concerns raised with him to Canberra and draw them to the attention of the relevant minister. Such action was taken by the member for Richmond on the issue of mobile home residents, and I thank him for that because I have many in my electorate. I am told he had a member of the Prime Minister’s staff come to his electorate to hear first-hand the concerns expressed by local residents and has taken the matter further just this week in Canberra. The member for Richmond is an active, tireless fighter for his constituents, not just his but yours and yours and mine. I am sure he will continue to fight for their needs. I am sure the member for Hotham and his union cronies do not understand how much the member for Richmond does on behalf of his constituents. (Time expired)

COMMITTEES

Treaties Committee
Membership

Mr DEPUTY SPEAKER (Mr Jenkins)—The Speaker has received advice from the Chief Opposition Whip that he has nominated Mr Byrne to be a member of the Joint Standing Committee on Treaties in place of Mrs Crosio.

Motion (by Mr Fahey)—by leave—agreed to:

That Mrs Crosio be discharged from the Joint Standing Committee on Treaties and that in her place Mr Byrne be appointed a member of the committee.

GLADSTONE POWER STATION AGREEMENT (REPEAL) BILL 1999

Main Committee Report

Bill returned from Main Committee without amendment; certified copy presented.

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.

Third Reading

Bill (on motion by Mr Fahey)—by leave—read a third time.

TELECOMMUNICATIONS (CONSUMER PROTECTION AND SERVICE STANDARDS) AMENDMENT BILL 1999

Main Committee Report

Bill returned from Main Committee without amendment, certified copy presented.

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.

Third Reading

Bill (on motion by Mr Fahey)—by leave—read a third time.

COMMITTEES

Public Works Committee

Report

Mrs MOYLAN (Pearce) (4.36 p.m.)—On behalf of the Parliamentary Standing Committee on Public Works, I present the first report for the year 2000 of the committee relating to the CSIRO/University of Queensland Joint Building Project, St Lucia, Queensland.

Ordered that the report be printed.

Mrs MOYLAN—by leave—The report I have just tabled concerns the proposed construction of a research facility to be built at the St Lucia campus of the University of Queensland. This complex will replace the CSIRO research facilities that were built 30 to 40 years ago on the site and it seeks to enhance research synergies between the CSIRO and the University of Queensland in the field of molecular biology. The CSIRO and the University of Queensland have entered into a joint venture agreement for the $110 million project, with the CSIRO contributing $50 million to this development. Subject to parliamentary approval, the construction of the building is expected to be completed in 2002. The committee has recommended that the project should proceed.
The project generated some local controversy and resulted in a very lengthy public hearing last October and a follow-up hearing in November. The range and strength of views put forward by the local community groups and residents can be understood when the size and nature of the proposed research facility are considered. The proposed complex will comprise three eight-storey wings and a multilevel car park. Local residents did have concerns about site selection, the visual appearance of the building, overshadowing and lack of privacy. They also expressed concern about additional noise during construction. The committee found that the proponents had considered many of the issues that residents have raised.

The committee has concluded that there are sound reasons for locating the facility on the proposed site. It is neither practical nor efficient to insist that the facility be located at another University of Queensland campus or site. The committee asked the principal architect on the project to explain the design and whether other options had been considered. The committee was advised that the proposed design provides advantages in terms of natural light and internal flexibility. A different design, for example a single five-storey building, would have a larger building footprint, which brings its own problems. The committee accepts that the architect has attempted to ameliorate impressions of size and bulk through techniques such as underground levels, stepping the walls and landscaping. Tests have indicated that overshadowing will be minimal. The committee believes issues of privacy should be dealt with by the community liaison committee, which was actually formed at the suggestion of the committee.

Local residents expressed concern about the nature of the proposed research in the residential area and the disposal and transfer of hazardous material from the site. The committee heard evidence regarding waste management systems and the transportation of materials. The committee has concluded that, based on evidence especially relating to regulations and procedures established to manage any potential biological hazard, the proposed facility would not pose any threat to the safety of the community. Certification of laboratories is required from the Genetic Manipulation Advisory Committee, a federal government committee responsible for the monitoring of recombinant DNA research. The new office of the gene technology regulator will provide a statutory and regulatory compliance regime.

I take this opportunity to comment on the feature of the inquiry that caused considerable concern to the committee. This was the approach adopted by the project proponents with regard to the concerns of local residents. I think it is fair to say that there are two particular examples raised by the community which indicate a lack of community consultation, particularly in the early stages of the project. The first of these was the reliance on a disputed Brisbane City Council planning exemption on the basis of a special zoning to avoid council approval processes. The committee understands that the plans have, since the hearings, been submitted and approved by the Brisbane City Council, even though there is no statutory requirement for this at the present time. The second was the belated establishment of the community liaison committee. As I said, this was a suggestion of the committee at the hearing.

The committee believes many of the concerns of local residents could have been resolved, or at least addressed, if the proponents had undertaken a program of genuine consultation and information dissemination well in advance of the committee’s inquiry. The proponents have now undertaken to submit the plans to the Brisbane City Council for endorsement and have established the community liaison committee. It is envisaged that this liaison committee will be able to resolve issues in an open and fair manner and to reduce the frustration and alarm that many residents have experienced with this project so far. This facility will enhance Australia’s biotechnology research base and increase the capability of the CSIRO to deliver extensive economic, environmental and social benefits to the Australian community. I commend the report to the House.

APPROPRIATION BILL (No. 3) 1999-2000

Cognate bill:
APPROPRIATION BILL (No. 4) 1999-2000
Second Reading

Debate resumed.

Mr LATHAM (Werriwa) (4.44 p.m.)—Before question time I was outlining this government’s fiscal irresponsibility, one of the factors driving up interest rates in Australia. It is unusual, though, to see a government boasting about its irresponsibility. I note the comments of the Prime Minister at his federal address, and it is true that outlays on education, health and social security have increased under this government by $12 billion since 1996. That is a real increase of 12 per cent. But the important thing is to disaggregate those figures. Education spending under this government has gone down by 6.8 per cent since 1996 and that indicates, accordingly, that there has been a huge increase in health and social welfare expenditure. Health spending has occurred because costs are out of control due to the gross inefficiency of our federal-state relations in health and also the madness of this government’s multibillion dollar private health insurance rebate.

In social security, outlays are going through the roof. This is a government that is encouraging welfare dependence and a government which has done nothing to reduce long-term unemployment. Long-term unemployment, whether you like it or not, is the best indicator of the scale of social costs, federal and state, around this country. It is also a government which has been using the disability support pension to shift people off unemployment lists. The new parliamentary secretary, the member for Longman, Mr Brough, shakes his head. Let him shake his head at these statistics. In 1995, 500,000 Australians were on the disability support pension, a passive program. In 1999, under this government, there are 577,000, an increase of 15 per cent. This explains the increase in social security outlays under this government.

What we have seen is a huge shift from active investments in people, like education programs, to passive programs: social security, disability support pensions and welfare dependency. This goes against every international trend. We should be increasing the active investments in people, particularly in education and training, and reducing the outlays on passive programs. But this government has gone in the opposite direction. Some people might say, ‘This is an unusual Labor Party point to make—that this government has massively increased social welfare spending.’ Well, it is not because the political point is this: no-one, whether they are left wing, right wing or in between, wants to see social security spending increase but fail to get results. Everyone in the political system and the electorate wants results. They want an end to welfare dependency; they want active investments in people; they want social mobility; they want an end to concentrated poverty in public housing estates. So this government stands condemned. If you are from the right-wing perspective and you do not like welfare spending, damn it for that—it is up. If you are from the left-wing perspective, and you want answers here and a fairer society, damn it for that as well—it is not getting results. That is the political point to make in this debate.

Finally, I come to the point I was alluding to before question time, especially with regard to remarks made by the member for Wannon. Monetary policy is a crude nationwide policy tool. It can in no way be spatially sensitive. It cannot make a distinction between economic conditions in the bush and economic conditions in the city. There is one cash rate set by the Reserve Bank, and it applies nationwide. That is all the more reason for fiscal responsibility, all the more reason to keep interest rates down and all the more reason to improve national savings and ease the pressure on the Reserve Bank. But also, that is all the more reason for spatial policies—what I referred to earlier as spatial economic policies. I am not known as too much of a Keynesian, but I will say this: there is a role for government in boosting outlays in depressed neighbourhoods. Economists sometimes call this demand switching, where you shift from private investments to public outlays and labour intensive work in the community sector. Let us have not only demand switching but also location switching. Let us move some of the
government outlays and jobs out of employment rich locations and get them into the depressed neighbourhoods that need work. Work is the best form of social programming and social mobility.

The other thing we need to do is to have a look at some of the incentives programs in the United States to move investment into depressed neighbourhoods. I recommend you read Bill Clinton’s recent State of the Union address. You might also want to think, when people talk about a GST roll-back, of exempting neighbourhood shopping centres in depressed areas from paying the GST. This would be a magnificent initiative: equitable because of the poor people who live in those suburbs, and socially desirable because it would finally give middle-class shoppers a reason to shop in these depressed areas. The neighbourhood shop, burnt out and derelict, is often part of the social problem. It is a jobs and investment policy and also—the main thing about the GST—there is no definitional problem. You can define these neighbourhood areas and make them GST free. (Time expired)

Mr BROUGH (Longman—Parliamentary Secretary to the Minister for Employment, Workplace Relations and Small Business) (4.48 p.m.)—I wish to range over a number of issues today on these appropriation bills. But I will start off by acknowledging the last march-out of the national servicemen, which occurred on 14 February 1972. I attended a memorial service for the National Servicemen’s Association of Queensland in Caboolture last Sunday, 13 February, at the recently dedicated memorial there. It is strange to think of a city or a town of 100,000 people in this country not having a war memorial, but that was the case until 7 July last year when His Excellency Major-General Arnison AO officially opened the memorial in King Street, Caboolture.

The ‘nashos’ have been part of Australian society from World War II in one form or another until 1972. They, along with me, believe that Australians should have a greater sense of service to their nation. There are many ways Australians can serve their country in times of peace and war, and a grateful nation acknowledges and recognises such service with suitable awards, usually medals. We all know that this government and the previous government have recognised with recognition certificates the efforts of our service personnel during World War II and those who participated through subsequent campaigns.

We are all familiar with our war veterans, both men and women, marching on Anzac Day wearing a variety of medals which serve two purposes. The first sort of medal, such as the Australian Active Service Medal, the Pacific Star and so on, is to give public recognition to their active service in the various theatres of conflict. Other decorations, such as the military metal, and the most well known and most highly decorated, the Victoria Cross for bravery, have also been won by many fine Australians.

We have extended the concept of awards to include our peacekeepers who have served in a variety of countries with the United Nations since World War II. The newest additions to this honourable list are those who served in Bougainville and now our soldiers, airmen and Navy personnel, male and female, in East Timor. Australia has also recognised those who have served in peacetime such as civilian construction squadrons or corps, the Land Army, the police, the fire service and so on. But there are two groups who I consider deserve recognition but have been to date denied it by successive governments. I am requesting and calling on our own government, in particular the Minister for Veterans’ Affairs, to recognise the input these people have made to the wealth of this nation through their service.

I think Australia deserves and actually requires us to have greater service to our nation and a service spirit. Recognising these service personnel in an appropriate fashion will go a long way to their having a fitting place, in Anzac Day parades and throughout society. The National Servicemen’s Association was formed basically to give a home to these men who, from 1951 to 1972, in the Navy, Army and Air Force, were conscripted to do compulsory military training. Many went on
to fight in conflicts. In fact, 287,000 young men were conscripted for national service, and 187 of those were killed on active service. A further 1,479 were wounded in Korea, Malaya, Borneo and Vietnam.

I believe that the role played by those who served overseas and in Australia was an important one, through a very unstable time in world affairs with the Cold War at its height. We had the communist insurgencies in Malaya and the war in Korea. National service-men played a very important role. I would like to think that we as a people can recognise them on an ongoing basis so that they can wear a lapel badge, a medal or some other form of recognition in public to display what efforts, in service, they have rendered to their country.

I am very fortunate to have a number of cadet organisations in my electorate, amongst them the TS Kooper Naval Reserve Cadet Unit based at Bribie Island. There are 42 cadets over there and Lieutenant Robin Houston is their commanding officer. She does a fabulous job with these young people. She provides an outlet for their energy and gives them an insight into what life in the Navy may be like. I believe that we as a nation deserve to give people like her that have long service within such organisations equal recognition, and also people like Rita Sheehy, who is the squadron leader of the Caboolture squadron within the Australian Air League. This is a very successful squadron—the most successful, I believe, in Queensland. It is these young people who will ultimately go on to become—many of them at least—service personnel who will be called upon to serve our country in time of conflict. We owe much to the dedicated volunteers that give their time to ensure that these young people are given the dedicated upbringing and support they need to reach their goals. I hope that the government can see some fitting way in which to recognise these two groups. I have had talks with the minister on this and I feel that he can see the importance of it. Next year will be the 50th anniversary of the introduction of national service and I believe that will be a fitting occasion to acknowledge their service and that of the cadet corps.

The second issue I would like to bring to the House’s attention today was raised in question time by the Minister for Agriculture, Fisheries and Forestry. He was referring to a Queensland bill—the Vegetation Management Bill. In this new role that I now fulfil as parliamentary secretary for small business, you would think this bill would be far removed from that portfolio; quite the contrary. Recently, when dealing with the dairy industry in my electorate, I stumbled upon this state law which has now passed the Queensland parliament. It has not yet received royal assent. I do not believe Mr Beattie will ever present it to the Governor until such time as he feels he can get money from the federal government to compensate people. This is a totally failed bill. The bill will affect dairy farms. I think everyone who hears this will understand and will be able to appreciate the situation. Imagine a dairy farm of 250-odd acres producing 1,000 litres of market milk a day. Their prime piece of real estate is their river flats where the grass grows greenest. Two hundred metres either side of that river will be locked up, fenced and treed; 100 metres either side of any creek will be locked up, fenced and treed; 50 metres either side of any dry gully or any waterway which carries water, even in times of flood, will be locked up, fenced and, once again, will not be usable for cattle.

This will decimate many areas and not just in my electorate around Maleny, Woodford and Peachester. It will also have a dramatic impact throughout south-east Queensland, whether to the east of the Great Divide at Crows Nest and those surrounding areas or in the areas of Boonah or Beaudesert. The Labor government in Queensland does not understand the impact this will have on not only the small businesses in the agricultural sector but also the small businesses in the town. These are farms that have been in the family for 90 years, for five generations, which are carrying substantial debt because the children have taken the farm and paid out the parents in order to upgrade the farm and bring it up to what is a modern standard today so that it can be economically sustainable. Many of them are not yet aware of the consequences of having the rug pulled out from under them if this bill is proclaimed.
This is not about putting in compensation for these people. Even if you were to compensate the landowners for their loss, the loss of that productive land would translate into the businesses in the towns. They would also be decimated, quite literally. It flows through to the transport providers, the veterinary surgeons and the stock and station agents. I do not believe that Mr Beattie or Mr Welford have given any consideration to the small businesses in south-east Queensland. We have seen the people of Winton demonstrating against the Beattie government, but it is not just the far-flung bush that we see on the news. People within an hour or two’s drive from Brisbane will find their livelihood shattered. It simply is not good enough to put up a bill which means that land values in those areas are falling dramatically. People simply cannot sell their land. Prospective buyers know that they may not have a chance to even utilise the most pristine piece of real estate on the properties. What is the Queensland government saying? It is saying, ‘Fence it and have it treed. Continue to pay your rates, continue to pay your land taxes and continue to maintain the weeds. But don’t have access to it.’ This is land that these people have paid hundreds of thousands of dollars for. I believe the bill as it has been proposed by the Beattie government is nothing short of criminal. I believe it will devastate small businesses in south-east Queensland because they rely on the success of the rural land-holders.

There is a second issue facing a specific part of the industry in Queensland, and that is the deregulation of the milk industry as of 1 July.

Mr Swan—Is that their fault too?

Mr BROUGH—That is not the fault of the Queensland Labor government. However, they stand idly by and do nothing to assist these farmers. A bill has been introduced into this House today by the federal government which, whilst it has no direct responsibility in this respect, has recognised the plight of these farmers throughout Australia and has put together a deregulation adjustment package valued at $1.74 billion. Where do the Beattie Labor government in Queensland stand on this? They are not putting one cent towards it.

Mr Swan—What’s it going to do to the price of milk?

Mr BROUGH—It is not going to affect the price of milk. The honourable member opposite asked what it will do. The fact is it will decimate the price at the farm gate. It will go from around 56c a litre for market milk down to about 32c a litre. There will be 11c a litre put on the price for the consumer but, because the farmer has copped it in the neck, there will not be an increase at the retail store. I am suggesting to you that you as a fellow Queenslander should be standing up to Palaszczuk and to Beattie and saying, ‘What are we going to do?’ No-one is blaming the Premier for this. But he should be saying, ‘Do not stand idly by whilst a great industry in Queensland is torn apart because farmers are carrying somewhere in the vicinity of three-quarters of a million dollars worth of debt’—not because they are inefficient farmers but because they are the best farmers, because they are young, because they are vibrant and are picking up the latest technology and have invested in their farms.

Mr Deputy Speaker, do you realise that these people have bought milk quotas—which, I might say, they paid stamp duty to the state government on? They are a tradeable commodity under the laws passed in the state parliament in the 1970s and again in the 1980s. They are held as security against loans that have been taken out, originally against QIDC, now against private banks. They paid $300 to $400 per litre. The average farmer will have about 1,000 litres of market milk on their property. Therefore, they have today, as it stands, equity in their property of $300,000 to $400,000. On 1 July, that is not going to be worth anything. So I ask the member for Lilley who interjected earlier: will he do anything to support me by asking Premier Beattie and Minister Palaszczuk to talk to this industry, to assist this industry, so the best and brightest of our young farmers do not disappear.

Mr Swan—What is Minister Truss doing?

Mr BROUGH—I am glad you asked because you are obviously ignorant of the facts.
Minister Truss put together a package and has worked for the last 12 months with the industry to put $1.74 billion—$1,740 million—into assisting a restructure of the industry. In Queensland that simply is not enough for those farmers. It takes—

Mr Swan—What are you going to do about it, then?

Mr Brough—The member for Lilley is loud on rhetoric and little on action. He stands there and squeaks about what is going to happen to the price of milk. When he is informed the price of milk will not rise but that the farming communities, and the small businesses that rely on them in the towns and the jobs that they have created, are going to go by the board, he has not got a word to say. I am calling on you to talk to your Premier in Queensland and to do something about it. You are incapable of doing anything but blaming others. It is simply time—

Mr Swan interjecting—

Mr Deputy Speaker (Mr Andrews)—Order! The member for Longman will resume his seat. I ask the member for Lilley to desist interjecting.

Mr Brough—Thank you, Mr Deputy Speaker. It is frustrating, and I should not be goaded by the member for Lilley, but the point is that he will simply resist any amount of effort I can reasonably make to ask him to approach Premier Beattie. Premier Beattie is not responsible for this, I reiterate, but he will be responsible if he stands by, washes his hands of it and walks away. That is what Minister Truss could have done, but Minister Truss took some responsibility for Australia’s dairy industry in regional and rural Australia. The member for Lilley has stated by his actions here today that he does not give a damn about those people in regional and rural Australia who are about to go down the gurgler even though they have been the ones that have created the jobs in this state.

So we have two issues here, both of them relying on Premier Beattie and both of which are going to have a massive impact on local small businesses, in primary industry and the retail sector as well as many other areas in Queensland. I am asking both the Premier and Minister Palaszczuk to stand by Queensland farmers and the Queensland small business community and support dairy deregulation. It is only state legislation that allows these to be tradeable commodities and these quotas and entitlements today to be held by banks in security and which, as of 1 July, will become worthless. The farmers need to be compensated for that directly by the state government.

The state government receive some $90 million to $100 million in national competition policy payments. This is a national competition policy issue. They have the money. It is being received by them. They have the wherewithal to do something about it. I implore them to not stand by but to actually assist these communities. It affects not just the 120-odd farmers in my district, the 200-odd farmers in the district of the member for Groom or whatever the numbers may be; it is the communities which rely upon them, because the Vegetation Management Bill will see their land no longer able to be used and their quotas no longer able to secure their loans.

Think for a moment of the impact this will have on a man who has grown up on a farm for 45 years and has helped his grandfather and his father to run a successful business. Through no fault of his own, now—he has made good business decisions—he carries a half-million dollar debt. He has that debt called in on 1 July, he receives a $100,000 payment via this adjustment package from the federal government, but the state government turns its back. In some instances, this will not be enough. We all know that the farming community ages every day; that that is one of the problems. But here we have the brightest and the best having their knees cut out from under them whereas the older farmer who has no debt will survive. It simply is not good enough. We require nothing less than the state government to go and meet with these people and to put together its own package to assist Queensland farmers, who are uniquely positioned because they are able to produce market milk all year round.

We will see a change in the face of southeast Queensland, and Queensland per se in some instances, like we have never seen before, because of the Vegetation Management
Bill. The Queensland government are calling on the federal government to aid and abet them with the Vegetation Management Bill, which will destroy towns such as Beerwah, Woodford, Maleny, Beaudesert, Crows Nest—and on the list goes. I will not stand by and allow that to occur, and I hope that the member for Lilley and the others opposite who are in this chamber—both opposition members in this chamber are from Queensland—will actually do something for once instead of just shouting blame across the chamber.

I reiterate that on dairy deregulation I do not blame Mr Beattie one bit, but I will blame him for the consequential destruction of these towns if he does nothing in the coming months. He must compensate these people for what is going to occur. He can no longer turn and say to Senator Hill, ‘You must compensate for the loss of land values as a result of the Vegetation Management Bill.’ He must do nothing less than fully repeal that bill. He must then deal with the conservation industries and the farming industries, and in doing so he will do something positive for small business.

This is not about a partisan approach. This is asking him to work together with the federal government to come up with an outcome for these small country communities. I remind the people of south-east Queensland that this is not Winton; this is not Longreach. Those areas have got it bad enough. This is on your doorstep. Take a day trip to Dayboro, Maleny or Montville and have a look, because you will be witnessing the death of those communities as you know them today unless Premier Beattie, Minister Palaszczuk and Minister Welford relook at legislation that they have before the parliament, legislation that they have already passed in the dead of night, and do something for south-east Queensland instead of squawking to the federal government and not standing by those communities.

Mr Rudd—That is something which I probably would know. I grew up on 450 acres of property on the north branch of the Maroochy River and lived there for most of my childhood and early adolescence. I also know from those still engaged in the dairy industry that the issues which you have just addressed are driven by a national reform initiative in which your government is directly involved. Your entire speech is driven by a simple political logic which is this: how do we flick pass the political pain of this exercise to another level of government? It is totally transparent.

The purpose of debate on appropriation bills is to provide in part an opportunity for members to reflect on the overall priorities of the government of the day, to reflect on the policies which the government has been initiating on the revenue side and on the expenditure side to see what vision this government has for the future of the nation, both within the region and within the global economy. It is important, particularly as the government approaches the mid-term of the current electoral cycle, to take some sort of policy stock of where the government now finds itself.

I propose in my remarks to the chamber to concentrate on a few things. The first is the government's record of fiscal and macroeconomic achievement. The second is the government's contribution to what could broadly be described as national capacity building, in particular in the most critical area—education. The third is the government's policies for our future and continuing engagement in the global economy and the region of which we are part. All three of these are critical because they go to our future as a nation. In terms of the last of those three points, that is, our engagement globally and regionally, we go to the critical questions of globalisation, the autonomy of nation states—including this one, Australia—within the global economy, and whether our opportunity for independent policy manoeuvre is going to be increasingly circumscribed in the future.

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The first point I said I would address is the government's record of fiscal and macroeconomic achievement. Daily in this place
the government boasts of its self-proclaimed record of fiscal management. The actual record is the reverse—as a cold, hard review of statistical data reveals. I make this claim on a number of bases. First, whatever fiscal consolidation this government managed to achieve during its first couple of budgets during the term and a half that it has been in office has largely been offset by a parallel exercise in undeclared fiscal loosening in the last several budgets. This was most dramatically illustrated by the events of last year when, as a result of the unforeseen deployment of troops to Timor, the government had to resort to a one-off increase in the Medicare levy in order to fund that engagement. What had happened as a consequence of the government’s fiscal management over several budgets was that, by the time we had got to the end of 1999 and needed some spare cash to fund the Timor deployment, we had absolutely zero fiscal latitude in which to move. On this point I would draw the attention of honourable members to an excellent table which was incorporated in the speech to this parliament yesterday by my friend and colleague the member for Kingston.

There is, however, a second factor which impacts on the government’s fiscal policy achievements in the period to date and, in particular, on the government’s fiscal standing in the period which lies ahead. Here I refer to the upcoming $17 billion tax bribe, for which we should read ‘revenue loss’, to be paid for the introduction of the consumption tax, an event which all backbenchers opposite, particularly those in marginal seats, are eagerly awaiting on 1 July. This single act, the introduction of the consumption tax and the $17 billion income tax package associated with it, is probably the highest form of fiscal vandalism which has been inflicted upon the Commonwealth since the current government has been in office—all done at the hands of Botswana Pete.

We have had with Botswana Pete a hard fiscal exterior but something very soft and gooey on the inside, once again, when you go to the core of the statistical data. The problem for us all is that for the triennium ahead, during which this $17 billion bribe will be shelled out, the fiscal condition of the Commonwealth will go from borderline to downright parlous. It not only reduces to less than zero the Commonwealth’s capacity to repair the very considerable social policy damage it has already wrought in such critical areas as education over the last quadrennium; it is also based on the most optimistic and probably heroic assumptions about future levels of economic growth and consequential revenue growth.

All of this, we know, is entirely hostage to the future shape of the international economy, this in turn being hostage to the US economy in particular and to the level of US interest rates. But the further and real danger which the nation faces is that at a time when the Reserve Bank has already raised interest rates by 0.5 per cent—considerably higher than parallel interest rate movements in other OECD economies—to dampen demand and the consequential inflationary pressures arising from that demand, what we have with Botswana Pete is an exercise of pumping out a further $17 billion worth of extra demand into an economy which the Reserve Bank of Australia has already admitted is overheating.

This in turn leads to the question of the government’s broader record of macroeconomic management. We hear a lot from the government on this particular issue. It is the same sort of self-congratulatory language that we have come to be familiar with from the government in their hollow claims of fiscal consolidation. On this question, though, I would make a couple of simple points which we never hear in this chamber from the lips of Botswana Pete. One: what will the impact on inflation of this 10 per cent consumption tax be on prices when added to the $17 billion injection to national demand? Two: what will the GST do to wage pressures in this economy? In the Senate inquiries held on the GST last year, there was considerable evidence from a number of expert witnesses, including Professor Dixon, that none of us could be at all confident about the price impact of the GST, but we could be confident that it would be likely to give rise to considerable wage pressures right across the economy. Professor Dixon’s conclusion at that time was that the government’s projection of 1.9 per cent movement of the CPI was heroic
because it failed to take into account anything by way of a realistic political assumption about the likely reaction in the union movement to the introduction of the GST.

The evidence to date, as we move into the real period of implementation, is transparent for all. What we see, in Queensland for instance, is that rail workers are already negotiating an enterprise bargaining arrangement which includes improvement in wages over a two-year period of 7 per cent but with an additional GST clause. This is an opportunity for those party to the enterprise bargaining arrangement to go back and obtain further GST related compensation if the CPI moves beyond that which the government has so far projected. We have seen parallel evidence emerge already in relation to an impending claim by the CPSU. Again in terms of the macro economy, the overall point is: what is this GST doing to wage pressures in the economy, and what will those wage pressures in turn do to the overall level of inflation?

Furthermore, how will these factors together impact on the already unacceptably high current account deficit that we have in this country, which is running somewhere in the vicinity of 5.5 to 6 per cent of GDP and bordering on the absolute threshold of an adverse reaction from global capital markets? This economy has sailed very close to the wind in the last couple of years in terms of the attitude of global capital markets to the level of the current account deficit. We have heard heroic rhetoric from those opposite about fireproofing the Australian economy from the impact of the Asian financial crisis, but what has in fact occurred is that total Australian exports have collapsed, imports have continued to surge and, as a consequence, we have enormous pressure on the current account. There is an absolute ceiling which cannot be crossed in how high that can go. When you add to the existing pressures in the economy the new factors which will emerge both pre and post 1 July—the consumption tax, the injection of the $17 billion into the economy, as well as wage pressures consequential on those two other factors—the pressure on the current account is going to become almost overwhelming.

A further factor is when you aggregate all of the above—that is, $17 billion worth of extra demand, the prospect of significant wage driven inflation and excessive pressure on the CAD—what will we then have by way of a future interest rate regime in this country? What will the impact be on future levels of national economic growth? If rates are ratcheted up as a consequence of the movements which I have just described, the impact on growth will be demonstrably negative. Taking it down from the national level to individual holders of mortgages across suburban Australia and to the small business community who currently have loans, the damage that will be wrought will not just be esoteric damage to the national economy in a set of un-prettily figures but real living, human, physical damage out there in average working Australia.

The second major issue I want to address in this appropriation debate is the government’s record on what I describe as ‘simple national capacity building’. Government is not just about appropriate forms of fiscal management; it is not just about appropriate forms of macro-economic management—foundational as both those factors are; government is also about how we use the resources of the state to build human capital and economic infrastructure. It is about how we build the nation and not just about how we shrink the size of government, which seems to be the underlying philosophy of those opposite.

The government’s philosophical view is fairly clear cut. It is driven from an overall philosophy of neo-liberalism. It rests on the premise that government is bad, that the smaller government is the better it is, and that the ultimate and best form of government is some sort of ‘bonsai’ government—diminutive, tiny, disappearing. They believe nations are built primarily by markets. When you strip it all back, the only legitimate function for government in that particular world view is probably in the following three areas: firstly, maintaining the physical security of the realm from external attack; secondly, maintaining domestic law and order at home, although I suppose in the ultimate neo-liberal world you could contract that out to MSS as well; and, finally, the policing of markets
within the country. Beyond those three functions, that philosophical view actually holds that there is no further or additional legitimate function for the state.

By contrast, we on this side of politics have a different view. Of course, we recognise the importance of markets but we are also equally driven by the fact that markets fail—that there is a measurable phenomenon out there in economics called ‘market failure’. For example, markets do not provide basic precepts or basic programs which deliver equality of opportunity. Markets often do not provide economic infrastructure in rural and regional areas. Markets do not provide safety nets, as is seen from the most recent and graphic illustrations which have been the subject of debate in this House both yesterday and today.

When we turn to this government’s record in what I have described as ‘national capacity building’—that is, building the future capacity of Australia to generate even more wealth for the national economy which could then be delivered to Australian families—what has actually occurred? I will focus briefly in the area of education. ABS data released last year demonstrates quite graphically what has occurred. In terms of total Commonwealth spending on education—this is ABS data, not mine, not the Labor Party’s, not Uncle Tom Cobley’s—between 1995-96 and 1998-99 in real terms we had a real dollar reduction of half a billion in terms of total government outlays in the education sector, a reduction from 1.99 per cent of GDP to 1.90 per cent of GDP.

When you look at university funding, it becomes even more dramatic: a fall over that same period of some 12.7 per cent, from 0.94 per cent of GDP to 0.82 per cent of GDP. If you aggregate education, research and training, outlays in those areas when Labor left office represented something like 3 per cent of GDP. In 1999-2000, they represent 2.53 per cent of GDP. In fact, if the last Howard budget had sought to maintain effort comparable to that which was being maintained for the last Labor government budget, it would have had to have injected an extra $2.87 billion in education, research and training to achieve a comparable outcome. Added to all of the above are the changes which the government has made in terms of the R&D taxation regime. In the entire developed world—the entire OECD—any economy worth its salt or any government worth its salt, right around the world, is moving in the direction of investing as much of its government resources as possible in the development of human capital through education, training and research and scientific innovation. In this country, we have a government moving diametrically in the reverse direction. It is a government which has mastered the art of rhetoric rather than reality. The repeated statements which have been made in this chamber on the question of literacy in schools is a classic example. We have statement after statement about the importance of literacy programs in schools. When you strip it all back, the amount of additional resources actually delivered to schools through the states to achieve those outcomes is almost invisible.

The final thing I said I would touch on in this speech is the relationship between how we manage our domestic economy, how we seek to develop programs to develop our national education and our national economic capacity and how that all interrelates with the global and regional economic environment in which we operate. The reality is that fiscal policy, macro-economic policy and social outlays are all shaped and to some extent controlled by our global economic circumstances. The truth is that we are radically impacted by world economic growth. We are radically impacted by world trade growth, in trade liberalisation or the reverse—protectionism. We are also radically impacted by the operation of global and regional currency and capital markets as demonstrated most graphically by the Asian financial crisis post 1997.

I would like to say a couple of things about these matters. We have seen recently the implosion of the WTO process in Seattle. If we have a new outbreak of protectionism worldwide, it will spell doom and disaster for working people across the world, including in this country. My criticism of the government’s record is: why was the machinery of APEC not more properly harnessed in the
Auckland meeting which preceded the Seattle summit to actually achieve consensus among APEC nations going into the Seattle millennium round to ensure that that round kicked off in the first place? There was a failure of policy.

On the Asian financial crisis, where did this government go—or did the government go missing—in using APEC to provide a coordinated regional response? Where have we gone in terms of the lessons which were delivered loud and clear on the volatility of regional and global currency markets and the destruction of the Indonesian economy virtually overnight? We are told it has gone from the IMF to the G7 to the G20. Where is it? What is the APEC position? Is it supposed to be a Manila framework agreement. What is the government doing? Where are the priorities? APEC provides this nation with machinery to add value to national, regional and global responses to these critical issues. But it has not been used effectively to that end. (Time expired)

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (5.28 p.m.)—It gives me great pleasure to support the appropriation bills Nos 3 and 4, bills related to the fourth Howard government's budget delivered in May of last year. In particular, these appropriation bills relate to spending of nearly $2.5 billion across a range of portfolio areas, including some important spending relating to Australia's overseas humanitarian response over the last nine months. Everyone will recall the Kosovo crisis and the East Timor crisis. As Australians, we are all very proud of the response that all Australians made and the financial contribution we committed through our government, both for our troops going across and acquitting us as well as they did in peacekeeping and setting up safe havens across Australia so we could give some support and chance of rehabilitation to refugees escaping from those terrible places of war. I want to acknowledge that, in the case of the Puckapunyal army base and another base near Wodonga, members of the Goulburn Valley Australian Albanian community spent many thousands of hours in support of their fellow countrymen from Albania and made it much more possible for them to get over the trauma of the war zone they had just left.

I am very pleased to support the government's allocation of further moneys in these appropriation bills for the introduction of arrangements to deliver the Diesel and Alternative Fuels Grants Scheme. These moneys will deliver major savings in rural and regional areas, particularly for diesel users, of course. Farmers and small business people in the electorate of Murray will be advantaged because we have an enormous transport industry that is involved in taking fruit, dairy products, grains and meats to export markets and to the domestic markets. As well, we have allocated in these appropriation bills some $35.15 million for the natural disasters relief arrangement and $23.1 million for the forest industry structural adjustment package.

I would have thought that most decent Australians would have agreed with the Howard government in understanding why we are funding these special measures for non-metropolitan Australians. So I was surprised and disappointed to hear the member for Werriwa, just before question time, denigrating rural people as whingers, whiners and opportunists when it came to them expecting to have some sort of support from the Howard government, which has a majority of its members representing rural people. We had an extraordinary situation where a member of the opposition stood up and called people who live in rural and remote Australia whingers and whiners because they expect to have their life opportunities come close to that of people who live in metropolitan areas.

I wonder if in fact it is because the member for Werriwa, having got up this morning, read Ross Gittins’s article in the Age. Ross Gittins also criticised the Howard government for an emphasis on spending on regional infrastructure. Mr Gittins wrote that ‘we’re in danger of flipping from cold-hearted to soft-headed’ when it comes to taking on board the needs of rural Australians. He talks about ‘panic’ in terms of policy making. So I have to wonder what is behind all of this. Ross Gittins and the member for Werriwa say the problem is that we are forgetting that there are also some poor in pockets of metropolitan Australia. I would
have thought that the Howard government has already distinguished itself, incredibly so, in making the new tax system such that all Australians will be advantaged. The new tax system is there in particular to assist those on lower incomes, wherever they may find themselves—in Australian cities or in rural areas. For example, we will have a much fairer go when it comes to a lower income family seeking to do an extra part-time job or some overtime. Under existing tax laws, a lot of that extra income was swallowed up with tax before you even saw the colour of your money, and so there was a disincentive to make that extra effort for your family. It just was not worth it when it came to the tax take.

Lower income families in particular will see their entitlements delivered more simply and more adequately. Pensioners and self-funded retirees are not forgotten, of course, with our new tax law. It is also the case that our government managed the economy in such a way that we survived the economic downturns in the Asian region, and we have lower unemployment rates now across all of Australia—in low income metropolitan areas and in low income rural areas—the lowest unemployment rates in living memory of Australians at this time. It is in the poorer suburbs of Melbourne, Sydney and Brisbane that there is now a chance to buy a home or a car or to go on a holiday. Indeed, it is a chance to have some savings for any purpose whatsoever. So, I do not think this government can do anything but stand tall when it comes to supporting lower income people in whichever region or part of Australia they are currently living.

But the member for Werriwa and Ross Gittins from the Melbourne Age are right: this government is paying very close attention to rural and remote communities. But is this close attention soft-headed or panic? Let me say that anyone who has any familiarity whatsoever with the socioeconomic data of Australia, and any measure of community service standards that are delivered to metropolitan or rural areas, would know that in fact you have an extraordinary story of the haves and have nots. For example, there are lower incomes in Braybrook or in some of the outer suburbs of any of our capital cities, that is for sure, but there are also bulk-billing clinics within 10 to 15 minutes for most of those lower income populations.

I challenge the member for Werriwa and others like him on the opposition benches to find themselves access to a bulk-billing clinic for medial attention in the electorate of Murray, for example. Our doctors in Murray are so overworked and so few in number for the size of the population that there was a closure of their books to new patients some time ago. Certainly they have no incentive to, and indeed they do not, offer bulk-billing across that electorate. So people on lower incomes, while they pay their taxes, do not get back the sorts of Medicare rebates that other Australians enjoy.

But let us look at some more simple statistics. Let us look at the life expectancy of rural people compared with their city counterparts. A male living in an Australian capital city can expect, on average, to live to almost 76 years of age while in a remote or regional centre of Australia the life expectancy is only 71 years. Is that because of genetics or is it because of a whole range of issues associated with access to health services, the time that it takes to get appropriate medical services in an emergency, the difficulties associated with the sort of lifestyle that is experienced in country areas or the difficulties of getting access to mental health services? Very often, the high level of rural youth suicides is associated with a sense of hopelessness and haplessness that, sadly, overtakes a lot of our young people who find themselves stranded in remote communities, far from work and with a sense of loss when it comes to comparing their lifestyle with what they see on TV each night.

Let us look at the educational standards and compare metropolitan and rural Australia. Let us look at Victoria, in particular, with a brand new Labor government. The Victorian government spends $521 per head of population per annum on higher education institutions in the city, while the equivalent spent in regional areas in the same state is half of that, at $235 per head of population. This pattern is repeated across Australia again and again. It has been estimated that it would cost an extra $2 billion per year to
bring per capita expenditure in regional Australia up to that of a metropolitan level.

I think we all know in this House about the differential between retention rates of students who complete their education in country areas compared with those in metropolitan areas where there is easier access to a whole range of educational institutions. While some 70 per cent of students in urban areas complete year 12, the equivalent figure in rural areas is substantially less than that. If you compare urban areas with remote areas, those figures drop away to just over 50 per cent. It is a very sad thing that, while we all know it is more likely for a professional who has come from a rural area to return to a regional or remote community after graduation, fewer of those students are gaining entrance to universities to train as dentists, as general practitioners, as architects and as lawyers and so rural areas have even fewer possibilities of getting people who not only choose to come to regional areas but choose to stay.

To people on this side of the House, that sort of information is not new. Apparently it is a surprise to the member for Werriwa. He pointed out that not all rural and remote areas are poor and so it is inappropriate to have special measures. Let me say that on this side of the House we do not suggest for a minute that there is a single depressed standard of rural experience across Australia. My own electorate of Murray is perhaps typical of a lot of areas. In one half of the electorate—in the Goulburn and Murray valleys—we have boom times with fruit growing. We have just had one of the best harvests on record, and we have seen enormous private investment go ahead. But the other half of the electorate is a wool-wheat growing area in which there has not been income for some three years. Many hundreds of families are now in receipt of the federal government’s exceptional circumstances payment. Young families have had to make a choice between having their child continue schooling until years 11 and 12 or to put fuel in their vehicles and to put in a crop. There is an extraordinary differential across rural Australia, just as there is in urban Australia—I acknowledge that—but the vast number of communities that are well beyond the tram tracks in Australia deserve similar life chances as those in urban areas.

There is an absolute imperative to assist rural and remote communities not only because of issues of justice and equity and the rights of all Australians but because of the environmental imperatives that we are now facing in Australia. As we speak, there is raging dryland salinity across parts of our wheat country, especially in Western Australia and in parts of New South Wales, South Australia and Victoria. There is also an emerging problem in Queensland. We understand the nature of some of these environmental problems. One single farm enterprise cannot tackle issues like revegetating perhaps 20 per cent or 30 per cent of their property, given that that will mean loss of income for them and, if they have entered into agroforestry, perhaps 30 or 40 or 50 years before there is a return. We need to see a regional approach, with major across-catchment planning and strategies which will require cost sharing across those regions and a great deal of capacity building amongst the human communities to tackle the problems of soil nutrient depletion, water quality loss and the impact of vegetation loss that occurred, sometimes generations ago.

If rural communities are impoverished—if they do not have any surplus income from their properties—how can we expect them to make that extra investment that will protect the environment for all Australians? It is an absurdity to tell a farmer to become green when he is in the red. To quote a lot of my local people, it is very hard to pull your socks up if you have none. Land managers often do not have the means—they do not have the income and, often, do not have the energy—to do the extraordinary amount of land and soil rehabilitation required to sustain our biodiversity. These sorts of communities are so grateful to the Howard government for introducing the Natural Heritage Trust in 1996-97. We understood the imperatives for this country, and in particular that the needs of rural communities should be supported. We set up the largest environmental fund that has ever been made available in Australia. It is the result of the partial corporatisation of Telstra, which meant that, fortunately, we
could retire a lot of Labor’s debt, and we were also able to put $1.5 billion into the Natural Heritage Trust.

More than 3,000 projects have since been funded through the trust. Across Australia we now have a sense of hope and a sense of partnership and cooperation in communities, whereas before there was a sense that there was no future for farming families other than to go to the city and to join the unemployed. We have just completed a mid-term review of the Natural Heritage Trust, which is now in the process of being put into the public arena. It has been very gratifying to work on that mid-term review as Parliamentary Secretary to the Minister for Environment and Heritage and to see the sorts of responses we had from the participants who have come back to us and said, ‘It’s these dollars that have made the difference.’ They have expressed a real concern about how they can sustain that sort of investment should the trust fail to continue in years to come.

Let us assure the Australian population—our rural communities in particular—that this government understands on all levels why we need to have justice delivered to all Australians and not just to those who are confined to the greater metropolitan areas. We have to also make sure, as we move down the corporatisation path with a lot of our infrastructure or service providers like Telstra or the energy companies, that we have community service obligations in place to ensure that rural and remote communities have a standard of service that is acceptable to all Australians.

Let me give you one small example of a most extraordinary inequity that I suspect people like the member for Werriwa are not really familiar with. Right now you could make a telephone call from, say, the Dandenongs in Melbourne across towards Werribee—a distance of, say, 40 or 50 kilometres—for the cost of a local call. If you made a call in the electorate of Murray over that distance you would be paying timed STD charges.

Mr Brough—The same in my electorate.

Dr Stone—And it is the same in the electorate of the new Parliamentary Secretary to the Minister for Employment, Workplace Relations and Small Business. This has absolutely no justification or rationale in terms of infrastructure or telephone exchanges. This is a historic thing that came in many years ago and is being perpetuated simply because rural people at this point still have not been able to drive Telstra to change their ways. It is one of the very particular problems that I am addressing in my electorate right now with Telstra, and they have agreed that, in the new era of competition, they will need to address those sorts of issues if they are going to retain their rural customers.

There are so many anomalies like that which rural representatives on this side of the House bring to the notice of the ministers, and I am pleased to say that this government responds and will continue to respond. If Ross Gittins wishes to contact some regional members of parliament he will find that it is not soft-headedness that is driving this government to respond to the needs not only of those in the greater metropolitan areas but of all Australians. Mr Gittins will see that this government responds to its constituents wherever they are and, in particular, it listens to the members on this side of the House who represent the great rural and remote parts of Australia.

Mr Jenkins (Sculin) (5.46 p.m.)—One of the great challenges that confront the global community is how the discussions that were aborted in Seattle surrounding the World Trade Organisation will be able to be picked up and continued. As I have said, there should have been no great surprise about the actions of those who protested in Seattle about what they saw as a process from which a large portion of the global community was shut out. I think that the criticism of the World Trade Organisation that it lacks transparency is a very fair criticism. I personally believe that the World Trade Organisation that it lacks transparency is a very fair criticism. I personally believe that the World Trade Organisation and the outcomes from the decision of the WTO have to take into account the effect on labour standards and their effect on the environment. If one looks at the way in which the World Trade Organisation has used those things that came out of its formation post Bretton Woods and the GATT process it is interesting that often it has made decisions, such as in the environ-
mental field, which in fact go counter to the protection of the environment. These are issues in which, in a general sense, Australia needs to be a player. We need to see that we cannot look at these decisions in isolation—just from the pure trade aspect—that we really need to have a look at the wider ramifications of what is actually happening.

I was therefore interested to read the comments of the head of the International Labor Organisation who was quoted recently at the meeting of UNCTAD in Bangkok as saying that the World Trade Organisation and its strictures had actually failed workers in developing nations and that if world trade was to be seen as being appropriate that there had to be a situation in which people believed that they were in a win-win situation. In the *Age* yesterday, Mr Juan Somavia, Director-General of the ILO, was quoted as saying that we had to ‘make markets work for everybody.’ He went on to say:

The benefits of the global economy are not delivering enough to enough people—hence the backlash.

Mr Somavia went on to say:

I find the situation frankly dangerous, politically.

He also touched upon the way in which we have what he described as ‘casino economies’, where we see the type of instability that is created by trade across the markets and that sort of trade being not for positive reasons but for very speculative ones. That is perhaps something that we also need to follow up.

My interest in the actions of the WTO go not only to the future negotiation of future rounds and what they might mean in the overall global sense but also to a very specific action that has been played out over the last couple of years. It involves a firm that has now consolidated its headquarters in my electorate—the firm being Howe Leather. Howe Leather’s crime is that it actually, in supplying automotive leather in competition with American companies, was able to get, I believe, five per cent of the American market. In the way in which American companies can have great influence over what the American bureaucracy does, a couple of those leather manufacturers in America persuaded the United States administration that they should take action, and they did. They appealed through the processes of the WTO and were able to get an interim decision which indicated that the type of assistance that had been provided to Howe Leather by the Australian government—assistance that was there to help an Australian industry, just like other countries would help their own domestic firms to open up export markets—was outside what had been agreed to by the World Trade Organisation.

In fairness, I should say this commenced towards the end of the previous Labor government and involved the import credit scheme and export facilitation scheme, and it was believed that the type of assistance that had been given to Howe might not in fact survive a challenge to the World Trade Organisation. So it was up to the Howard government, in its first term, to try to put together a package that would be seen to be in agreement with WTO rulings and would assist Howe in its export drive into the United States. This all happened towards the end of December 1996 and I can remember being in this place imploring the then minister for industry, John Moore, to try to get a decision before Christmas. As it transpired, this decision occurred early in 1997. There was great confidence that the restructuring of the assistance to Howe was going to be well and truly within the guidelines of the WTO. Regrettably, the American firms used their influence with the United States administration and an appeal was taken through the WTO.

If anybody follows the way in which the United States administrations support these types of appeals, they would know that they do not cut any corners; they make sure that they are in there batting. I have commented on that in this place before. Sometimes I do not believe that Australia takes these appeal processes seriously enough and gives enough energy and resources to the way in which we fight appeals. This gets us to 1997 when there was a decision out of the WTO’s disputes procedures area. This was described at the time as something that we could perhaps live with, although the Australian government did not agree with the full decision.
At this stage the Australian government decided it would not appeal the decision. In an exchange of correspondence that I had with the member for Farrer, when he was the Minister for Trade, he said that the Howard government had expressed to the United States administration its disappointment with the decision; that is, the decision to take the package through the WTO appeals procedures. He went on to say:

We have also conveyed our view that the assistance package provided to Howe Leather is consistent with WTO rules and we are prepared to defend the package if the United States decides to pursue the matter in the WTO.

As I said, this was pursued by the US administration, and then in early 1999 there was a decision which indicated that the WTO felt that the package was outside their guidelines and that there would have to be some remedial action taken. At that stage the government entered into negotiations with Howe Leather and came to an agreement about the way in which they could implement the WTO panel's decision. In further correspondence in June 1999, the member for Farrer, the then Minister for Trade and Deputy Prime Minister, indicated why the Australian government had decided not to take the matter to the WTO appellate body, the action open to them being to appeal the tribunal's decision. Mr Fischer said:

The outcome of any appeal process involving a cross-appeal by the United States could have resulted in an outcome that would have been much more difficult for the company. Well, it got much worse— and that was without us taking up the option that we had, which was to make the appeal.

Even though the decision had been in a way favourable to them in part, the Americans took the full interests of the decision to the appellate body again on the basis that they were protecting their own companies. Of course it again concerned me that we had seen the US administration willing to take every step whereas the Australian government had decided that it would sidestep the matter in the belief that it would not make it worse. As to what happened, we now have a decision that was made late last year, or it may have even been late last month, which indicated this, and I quote from the WTO's website:

The panel determined that Australia had failed to withdraw the prohibited subsidies within 90 days, and thus had not taken measures to comply with the DSB's— the dispute settlement board's— recommendation in the dispute.

The upshot of those words is that, whereas the original decision had been interpreted to mean that the grant moneys received after the decision should be paid back, what has now been decided and confirmed by the WTO meeting late last month in Geneva is that the full $30 million must be repaid.

To say that this has caused concern to the company would be to understate it. I do not wish to be alarmist, but there are about 500 jobs involved—most are at the factory in my electorate, but about 150 are down at a leatherworks in the electorate of the honourable member for Gippsland, the Minister for the Arts and the Centenary of Federation, Peter McGauran. These are areas where there is a great degree of continuing unemployment, so the loss of that number of jobs would have a devastating effect. Not only has this decision caused concern here in Australia and to Howe Leather in particular but it has sent shivers up a number of people's spines throughout the global community. Now even the United States administration knows that they might have taken this a bit too far. At the moment an action is being taken in the WTO over grants that the Americans have given to a number of big firms—this is mentioned in today's Bulletin article—as tax subsidies under the foreign sales corporations provisions may have violated trade rules. Washington now, bless its soul, is concerned that the type of precedent that has been set in the Howe Leather case might really see it done between the eyes because, as I understand it, the assistance that the American administration has been giving to a number of big firms—including the likes of Boeing, Microsoft and Motorola—is in the order of $3.5 billion annually. That is really going to cause concern in the case of those firms.
Joining the Americans in their concern about the retrospective nature and the general nature of the decision in the Howe case are countries like Canada, Brazil and Japan. As a Financial Review article on Monday said:

The unease of Canadian and Brazilian officials is understandable given that the WTO recently ruled that billions of dollars in subsidies they pay to regional aircraft companies in their economies contravene trade rules.

So certainly this decision is now taking on a different dimension. The reaction of the present Minister for Trade, Mark Vaile, to this was a great deal of concern and worry that we had been put in a no-win position, that we really did have to look at the way in which we could get ourselves out of the mess. But I have to remind the House that part of the problem was that Australia decided not to go to the appeals body in the first place; then, as part of the way in which the United States appeal was dealt with, Australia agreed that it would not appeal the final decision. That is part of the summary of the events from the WTO’s official writings on this matter. Now there is the problem that we have said that we are not going to use WTO procedures any further, and the minister is only left with the avenue of sending officials across to try to do an out-of-court settlement with the Americans. I hope that he can come to some accommodation because the ramifications to Australia are quite severe. If we do not put into place the decision of the WTO in the Howe Leather case, sanctions will be placed on other Australian businesses. Of course, the sanction that is talked about is something like 100 per cent punitive tariffs on exports that have no connection to automotive leather. So this is now a very serious problem that is confronting the Howard government.

The thing that I want to stress is that, right from the outset and over the two or three years of this saga, I have contended that we have not taken the WTO processes seriously enough, that we have not made sure that we are in there competing as hard as the American administration or that we are as well resourced as them. They take it very seriously. The importance of this is that it is not some form of industry welfare but a form of ensuring that an Australian company is able to compete in export markets on an equal footing with competitors—able to compete, not seeking to get any greater assistance than either other sectors in our domestic market that are trying to export or those that it is competing against.

Howe Leather has been very successful. It has made inroads not only into the American market but into European markets and markets in other parts of the globe. I have said on each occasion that I have spoken about Howe Leather that this is a company worth fighting for. It is a company that has turned the modest assistance that it has received from the Australian government into runs on the board. It is not a company that has not understood its obligation to do the right thing. It is a company that really needs the Australian government’s support. (Time expired)

Dr SOUTHCOTT (Boothby) (6.06 p.m.)—As the appropriation bills afford members the opportunity to speak on a wide range of subjects, I would like to take this opportunity to speak about the introduction of a new tax system on 1 July this year. I will specifically focus on some areas which are of interest in my electorate, such as the car industry, and on the cash economy, and also reflect on what the experience has been in New Zealand. Today we had a question time which was dominated by questions on the intricacies of the GST. I think it is worth asking all members what this debate is really about because, when you look at it, after the abolition of the wholesale sales tax, FID, stamp duty, excise and other things like, for example, the Sydney bed tax, what the new tax system involves is an extra $5 billion to $6 billion in indirect taxes. That is together with $12 billion in income tax cuts, most of it going to people on incomes below $50,000, which is 80 per cent of taxpayers, and also an extra $6.6 billion in social security payments, including the family package, pensioner and self-funded retiree rebate and pensions and benefits. To put it another way, by removing the wholesale sales tax, FID and stamp duty and by reducing excise on diesel, all of those things are equivalent to eight per cent of the GST. So what we have been arguing about today, and what I imagine will dominate a lot of the parliament for this year and a lot of the
political debate, is an eight per cent GST with all the inefficiencies that you get with the wholesale sales tax and the business costs, the cost to exporters and so on, compared with a 10 per cent GST with benefits to exporters, incentives for people to save, incentives to export and invest and also with the chance to crack down on the cash economy—combined with $12 billion in income tax cuts and over $6 billion extra in government transfer payments.

The disadvantages of the wholesale sales tax and FID are well known. Fifty-eight per cent of the wholesale sales tax falls on business inputs and 78 per cent of the FID falls on business inputs. By removing those taxes, we will reduce business costs by $10.5 billion and reduce the cost to exporters by $4.5 billion. The Melbourne Institute, whose quarterly survey I have drawn on for some of this, expect the CPI to rise by less than two per cent. The Reserve Bank governor has said that they will look through that price rise in the setting of monetary policy. It is in effect a one-off lift in prices. The chances that the price rise, which will be less than two per cent, will be built into prices in the future is very low. To quote the Reserve Bank governor, in evidence to the Standing Committee on Financial Institutions and Public Administration, he said:

The experience of New Zealand, Canada and other countries, which have not necessarily the introduction of a GST but an increase in the GST rate, is that it has been a once and for all lift and has not followed through into a higher rate of inflation.

When you look at the price of individual goods, and we learnt a lot about the price of Paddington bears and pyjamas and so on, you will see the final price will depend on several factors. If you consider items in a supermarket, it is hard to think of items that will be more expensive. In fact, most items will be cheaper. Broadly, GST-free items now should fall in price due to the removal of current indirect taxes. They are unlikely to rise in price. If we think of other things outside the supermarket, for example, with a 22 per cent wholesale sales tax should fall in price. The Melbourne Institute estimates that gas will go up by only one to three per cent. Services and cafes are areas that will rise a bit higher than that.

An article in the January-February 2000 edition of *Choice* looked at a basket of goods at a supermarket and took the average price for each item, subtracted the sales tax and added the GST. It found that overall the basket cost $3.12 less. To give you an idea of how it works, most food which is currently sales tax free is going to be GST free, so those things will not change in price and maybe will fall in price due to embedded wholesale sales tax from transport and so on. Foods currently subject to sales tax, such as fruit juice and milk flavouring powders, as the sales tax is higher than the GST, should drop in price. There is food which is currently subject to the sales tax which is higher than the GST, and those things should drop as well. They include things like confectionery, muesli bars, chips, crisps, salted nuts, biscuits, cookies, crackers, ice-cream, frozen yoghurt, soft drink and pet food. Last of all is the category that will rise in price, and they include things like prepared food, doughnuts, pies and pasties and so on. They are a fairly small item in the supermarket. Also, things like toiletries and household cleaners are currently taxed at 22 per cent, so they should become cheaper. There is a report in the *Herald Sun* which confirms that beauty products and toiletries will be cheaper: ‘Cosmetic industry leaders promised that shoppers will enjoy lower prices when the GST replaces wholesale sales tax.’ According to Cosmetic, Toiletry and Fragrance Association of Australia executive director John Woods, ‘It is a competitive industry and savings will be passed on to customers.’ Most of those products attract a 22 per cent wholesale sales tax. They think cosmetic prices will fall by eight per cent with the switch to a new tax system. Price falls on popular toiletries such as shampoos and deodorants should be about five per cent. So, if you think about a supermarket, as you go down aisle by aisle, most of the items will show very little change in price. I ask the Labor Party to think of things that are going to rise significantly in price. Already supermarkets are saying that they expect that the baskets of goods will actually be cheaper.
We have heard a lot about business compliance costs and the education campaign. When you compare it with New Zealand, the education campaign was about 12 months. That is the period that people have had from the passage of the legislation to the introduction. Some people have compared it a little bit to the Y2K problem. For the last three years you have not been able to open a paper without a different story about Y2K. There have been all sorts of angles. In the end, the countries that spent relatively little on preparation appear to have had very few problems. Australia, which was considered well prepared internationally, again, had very few problems.

In a survey of 3,200 businesses, Morgan and Banks found that with over four months to go 91.4 per cent of businesses are confident of being prepared for the new tax system. In every state and territory the result was over 90 per cent. Small businesses were more confident than big business of being ready. Of the 20 industries surveyed, the media was the industry least confident of being prepared, at 82 per cent. Over 70 per cent of businesses did not expect any major disruption to comply with the introduction of the GST. For small businesses the figure was as high as 77 per cent.

Turning to the experience in New Zealand, as members will be aware, a GST was introduced in New Zealand in 1986. The current situation is that it attracts little criticism and is widely accepted. The problems that New Zealand faced were similar to ours in that they had very high marginal rates of taxation which fell on low levels of income. They also had a wholesale sales tax with differing rates from 10 per cent to 60 per cent and 60 per cent of goods and all services were not included. So they had a very heavy reliance on income tax. That was creating a disincentive for people to work more, to get pay rises, to do study, to get promotions and so on because of the very high marginal rates of tax which fell on low levels.

Simon Holdsworth, the President of the New Zealand Employers Federation, in evidence to the Senate Select Committee on a New Tax System said:

All the issues in one form or another were raised in New Zealand and virtually all from experience were found to be exaggerated under our system.

He went on to talk about his own experience with compliance and said that he spent half an hour every two months to complete the tax requirement. In New Zealand there are tax packages available for businesses which will comply with requirements and are available for under $200. In Australia there are similar products available. Also in evidence to the committee, Mr Holdsworth was asked:

What was the general acceptance in the community in New Zealand of the GST?

He said:

I would have to say that there were considerable misgivings about the whole of a new system being introduced not only at small business level but also at consumer level before the system came in. By the time the system came in, businesses at least were happy to embrace it because of the simplicity of it. It took the public some time longer, but general acceptance happened very quickly.

He was then asked:

Are there any groups in the New Zealand community who would want to go back to the old structure, the wholesale sales tax structure?

Mr Holdsworth—No, definitely not. I have heard no calls for the abolition of the GST other than that people would like the rates reduced.

I guess that is only human. If we look at some of the other countries, Canada, which was quite different from Australia, did have problems in that it was applied on the top of provincial taxes and also, due to delaying of the legislation in the parliament, there was only a very brief period of education, something in the order of six weeks, before its introduction on 1 January 1991. Interestingly, in the 1993 election, which saw Prime Minister Chretien come to power, he promised to replace the GST after an inquiry if he was able to find an alternative and better source of revenue. The inquiry did not reveal an alternative source of revenue. It still has the GST. It is now widely accepted in Canada. It is seen as quite fair and, in fact, it is looking at some of its exemptions: for example, if you buy six doughnuts they are GST free but one donut is subject to GST. Germany already has VAT. Obviously, most of Europe
has had it since the 1970s, but it is now looking at tax reform.

The introduction of the ABN will make it more difficult for the cash economy. Without an ABN, there will be a withholding tax applied to suppliers’ inputs. An important feature of the tax system is that linking the GST returns with the income tax returns in the business activity statement will help capture the cash economy. Most countries in Europe did not do this. Even New Zealand did not do this. In New Zealand, they found that the cash economy was exposed by the GST and was actually much greater than they expected. The model that we have now with that integration of income tax and GST returns is even more likely than New Zealand to capture the cash economy.

On the issue of the automotive industry, the Productivity Commission, which reported three years ago, found that a quarter of all wholesale sales tax revenue was raised on cars and component parts, despite the fact that they make up only three per cent of purchases of goods and services. So you can see that cars and other manufactured goods have really borne the burden of the indirect tax system. The consequences of this, in evidence to the Productivity Commission, were that vehicles were less affordable. The wholesale sales tax was taxing the inputs to production, affecting production costs and international competitiveness. They also had the problem of tax cascading, that you could have 22 per cent on 22 per cent.

Toyota in evidence said that the tax on exports was between four to six per cent. Holden argued that it was difficult to remove the wholesale sales tax embedded in the cost. In its submission, Toyota supported a broad based consumption tax. It estimated that Australian demand for cars would expand by something like 60,000 units annually if the sales tax went from 22 per cent to 12 per cent, which would be about the same on wholesale as a 10 per cent GST is on retail.

Mitsubishi is in my electorate of Boothby. It has 4,399 employees and there are a lot of allied component suppliers. The automotive industry is important in my electorate. Mitsubishi is the major employer, and there are other institutions like Bridgestone, which is just on the border of my electorate and the electorate of Hindmarsh, and companies like Munro and Hendersons, all very important companies in the automotive industry. Under the current wholesale sales tax system, they have borne the burden of indirect taxes. For that reason, a new tax system would, by broadening the base and lowering the rate of the indirect taxes, be beneficial for my electorate. I support it. I would also like to emphasise that we are looking at a debate here between what is in effect the current system, which is already an eight per cent GST with all of the inefficiencies that we know about, and a 10 per cent GST with income tax cuts and the efficiency gains that we can get from reducing business costs.

Mr PRICE (Chifley) (6.23 p.m.)—I want to raise a number of things in this debate on the appropriations bill. Firstly, I want to raise an issue about the Glendenning post office. In 1998 I had a great deal of difficulty with Glendenning post office, and that was basically because I had had a mail-out to my electorate which should have, under the contract we have with Australia Post, taken four days to deliver. In fact, it took 10 days to deliver. I raised my difficulties with Australia Post and had even taken the matter up with Mr Taylor from the New South Wales head office, who reassured me that no dispute existed at Glendenning, notwithstanding that instead of taking four days it took 10 days.

Part of the problem was that my mail was being black-banned by the Postal Delivery Officers Union members, seven of whom worked at Glendenning post office. You and other members of the public may not recall this, but this was Mr John Howard’s personal union in Australia Post. This is the one for which he used his electoral allowance to assist in a campaign. This is the one that the Minister for Employment, Workplace Relations and Small Business always praises.

On 10 August, notwithstanding my correspondence to Australia Post and lack of response, I wrote to the Rt Hon. Ian Sinclair as Speaker of the House, even though we were in a break, and sought to have the matter referred to the Privileges Committee. My mail was eventually delivered, but only after seven rebel union members took sick leave on the
same day and other CEPU members were called in to clear their work on that Friday and utilised overtime on the Saturday. I do not want to in any way reflect on a former Speaker, Madam Deputy Speaker—I am sure you would understand that—but I think it would be fair to say that the reason why my matter was not progressed to the Privileges Committee was that, whilst I had been singled out, there were some other lesser mailings that were also experiencing similar difficulty to me.

I have not had a very happy relationship with the Glendenning delivery centre, and again I have had to write to Australia Post about a problem that has been brought to me by some of the workers on the night shift at Glendenning. I have again written to Mr Terry Taylor of head office and, surprise surprise, I have been told that really there are no problems there at all. What is the problem? I guess there have been some ongoing problems there for some time, but basically the night shift supervisor blew the whistle on management, who had allegedly ordered them to claim two hours of overtime preshift over quite a considerable period of time—some 18 months. I would like to go over that again. The night shift supervisor objects to a management direction, that is, fraudulently claiming overtime.

Forgive me for asking, but what would you think would happen? Would you think that Australia Post would set up an inquiry? Yes, of course it would. Who do you think would be at the centre of the inquiry? Would you think it would be the workers who blew the whistle or would you think it would be the management who had sanctioned this allegedly fraudulent practice? I am amazed to say that it is not management that is being inquired into at all; it is the very workers who have blown the whistle.

The matters listed for the inquiry are absolutely extraordinary. There is the issue, of course, that they claimed overtime. They said that they had claimed overtime under direction. The first charge, which I find extraordinary, is that they had wanted to continue the practice. The second is that there were two phone calls made to channel 10. How horrific! The third is that there was some unprocessed mail not reported as delivery delay. The fourth is that there were some prawn heads found under the desk in the centre administration office. The fifth is that there were some further prawn heads and shells hidden in the lining of the chair used by the administrative officer.

Mr Kerr—It was a high chair.

Mr PRICE—Yes, it was very much a high chair. The sixth charge was that they did not report in a timely manner to management that they had actually consulted with the union secretary.

Not only were there these charges against the workers investigated but the charges were referred to the DPP. What would you expect would happen at the DPP? The DPP threw them out. How can you charge someone with fraudulent behaviour when it is a management sanctioned initiative? Thrown out by the DPP! Furthermore, the three managers—Steve Simms, the manager at Glendenning; Michael Clarke, at the area office at Penrith; and Michael Lennon—have all subsequently been promoted. It is outrageous that, when someone blows the whistle on a fraudulent operation that management initiated, the people who are victimised are the whistleblowers and the workers.

I have been told by Mr Taylor that everything is okay. I say to Mr Taylor that, unless they take reasonable action to investigate the managers, I will be writing to the Australian Federal Police because I think it is a matter of serious fraud. If they do not stop the harassment of the workers, again I will take action to make sure that we have full media disclosure of the pettiness of Australia Post management. I think the people in my electorate have put up long enough with the disruption that is caused by having these rebel union members at Glendenning. All people who work at Glendenning want is fairness and evenhandedness. There should not be any favouritism by management just because the Prime Minister’s favoured postal union has some members at Glendenning. Furthermore, I believe that we are entitled to a decent mail service out of Glendenning, and we are not going to get that until such time as Australia Post gets to the very bottom of what happened at Glendenning.
Madam Deputy Speaker Crosio, I know you take a great interest in the issue of companies that go belly up and are unable to pay employees’ entitlements. I know that you have even gone as far as presenting a private member’s bill, which we have been unable to debate in this House. I made an adjournment speech back in 1997 about a small company called Corval, in Kurrajong Avenue, St Marys, that went belly up. I understand one of the Prime Minister’s criteria is that it is an area blighted by high employment and dramatically affected by restructuring that has taken place. This was a textile company, but over and above those criteria the reason why this company suddenly went belly up was that the directors had failed to pay $100,000 of PAYE tax. Normally we are talking about the entitlements of workers, but in this instance the workers’ PAYE tax was taken out by the company and the company failed to pass it on to the Australian Taxation Office. Then the Taxation Office wrote to the directors and said, ‘Notwithstanding your incorporation as a proprietary limited company, if you do not remit the money within 14 days, you as directors will be personally liable.’ That is what instigated the bankruptcy of the company.

I actually think it should be a criminal matter when companies fail to remit PAYE taxation. I do not condone directors holding onto workers’ PAYE money and using it in the business. Not only had they done that but also they had used all the workers’ entitlements. It was not a big company. I wish I had a textile company of 300 people. The constituent who brought the matter to me, Terri Coble, who is a friend, was very proud of the fact that she worked there. She had seen the ups and downs of the industry, and when they had to go onto 3½ days the workers were always happy to accommodate a shorter working week to keep the company going. But at the end of the day, when that company went belly up, that company where she had worked for 30 years, where the majority of women who were employed had worked for 20 years, those workers got not one dollar of their entitlements. There has been no prosecution of the directors: not only was the Taxation Office unhappy that the company failed to remit that money but the directors were never charged with that offence. That was the catalyst for the company finally going belly up. Of course, no director has been charged with misusing these workers’ entitlements.

Members of the House are always pleased to see workers who have put so many years of blood, sweat and tears into a company able to receive their entitlements notwithstanding the fact that the company may have gone broke, as in the case of National Textiles. But, unlike National Textiles, in this instance it was the structural changes occurring within the textile industry that caused the difficulties. However, the workers have not received anything. It is unlike National Textiles in two instances: one is that Stan Howard is not the chairman of the board and, secondly, it was the Taxation Office writing to the directors about the PAYE taxpayers that was the catalyst for the bankruptcy of that company.

As I said in my adjournment speech, I spoke to the administrator and I spoke to the bank. I tried to get as much information about this company as I could. It was a pity that the company had not tried to take remedial action 12 months earlier. I am not sure that the workers would then have got 100 per cent of their entitlements, but I am convinced that the workers would have got some of their entitlements. Surely, in the circumstances that I have outlined, the minister at the table ought to take this case to the Prime Minister. It meets his criteria. They may be just battled women from my electorate, all with families, who are not likely to get another job because of this closure, who have never really earned fancy wages, but that 20 years of entitlements means a lot to them. I implore the minister at the table to set aside politics and take up the case of my textile company and see whether we can do something for these workers.

I know it was in 1997 and certainly does not meet the 1 January deadline, but I do not know what members of parliament would feel like in a similar situation. Do they have any understanding of what it is like to be in a menial job, going in there day in and day out, seeing all the changes, getting used to new managers, spending 10, 20, 30 or 40 years in a company, and having, as they are looking
towards their retirement or to finishing work, a little nest egg of long service leave and accumulated holidays to draw on for a bit of pleasure in this life? I again ask that the minister at the table take up the case of Corval and the women from the textile company in my electorate.

The last thing I want to comment on is a far more pleasant matter than either of the two that I have raised thus far. I want to tell the House that, at long last, Chifley College, which is a college network of five high schools, has got off the ground. At the Whalan campus we have our first intake of year 11 into what will be the senior campus of the college. I was looking back at my maiden speech, and I referred to the issue of senior high schools then. Over the period that I have been a member, I have raised the issue of senior high schools on 39 occasions in one way or another in this House. I have been privileged to have been involved at the forefront of the campaign at a federal level for the establishment of the University of Western Sydney. I have been involved in the Nirimba campus, where we have a university, a TAFE, a Catholic senior high and a public senior high.

Although I and my state colleagues Ron Mulloch and Richard Amery were unsuccessful at the time in getting a senior high school for Mount Druitt, we got the first ever public senior high school—not on the model that we wanted, but at least it was a first step—in St Marys Senior High School, which is an outstanding success story. It is a case where, because of the outcomes that St Marys Senior High achieves, we are actually reversing the drift from public education, with people from private schools now wanting to send their sons and daughters to public schools.

Although I have been involved in a variety of things, nothing has given me more pleasure than, after nearly 15 years—with 10 years spent specifically campaigning for a senior high school in Mount Druitt—being able to note that Chifley College has opened its doors for business this year. It might have been the first of these new model colleges but, for reasons that I understand, the state minister for education pursued Dubbo and Wyndham College at Nirimba ahead of Chifley College. In saying that, I can say that my constituents really value education and educational opportunities for our young people. My constituents have run an outstanding campaign in agitating for radical change, whether getting behind the establishment of the University of Western Sydney—and I note the presence of the shadow minister, Mr Martin Ferguson, and acknowledge the significant role he played in this—or fighting for senior high schools. They have always been 100 per cent behind it, and I am pleased to see that this latest addition to their efforts has borne fruit.

Mrs MAY (McPherson) (6.43 p.m.)—Whenever I rise in this place to speak on any appropriation bills, I am reminded of the many budgets which have been delivered by successive Australian governments. In particular, I think back to the budgets delivered during Labor's 13 years in office. Unfortunately, I remember them well—although, like most Australians, I certainly do not remember them fondly. It is understandable that Labor wants to forget those years. They think that in time people will forget the successive years of false dawns and empty promises. We know that when Labor was promising, during the 1996 election campaign, that the budget would remain in surplus, they were actually hiding a $10 billion budget black hole. No matter how hard Labor tries to cover it up, the Australian people will remember what really happened. They will not forget the fact that the opposition leader was finance minister at the time. In essence, this appropriation bill forms part of the 1999-2000 budget; a budget that delivers a $5.4 billion surplus; a budget that continues on the responsible path of the previous Howard government budgets of paying back the debt that Labor left behind. In fact, with this budget, the Commonwealth is on track to halve the net debt to GDP ratio it inherited. We will repay $20.5 billion in 1999-2000 alone.

But what is important about this budget, as with our others, is that it is part of a real long-term economic plan for Australia's future—a plan that includes: the biggest personal income tax cuts in Australia's history, comprehensive taxation reform to create a
simpler, fairer system where everyone pays their fair share, business taxation reform to restore incentive and create jobs, and workplace relations reform to make Australia more competitive and deliver a better standard of living for all Australians. We have a long-term economic strategy that is paying real dividends. In pure economic terms alone, we are doing remarkably well. Australia now has a 4.1 per cent annual growth rate, with a 0.2 per cent increase in the June quarter; our ninth consecutive quarter over four per cent. And that growth has consistently exceeded our budget expectations. That is, we have more than delivered what was promised with each budget. Again, this contrasts with Labor’s approach in office. They continually promised better times and they failed to meet their own forecasts time and time again. I know it does seem difficult to comprehend, given that the last four budgets have all more than met forecasts, but Labor’s record in office meant that their budget forecasts virtually were not worth the paper they were written on. Their budgets simply never delivered. All Labor delivered was false hope. If members opposite want to argue that this was not the case, I would welcome them doing so. It would mean that they were admitting that Labor deliberately set out in their last five budgets to run up deficits totalling more than $70 billion—$70 billion in five years. If the opposition cannot recognise that as economic mismanagement, if they cannot admit that there is a problem with racking up a massive $70 billion in deficits in just five years, then heaven help Australia if they ever get back into office.

The fact is, each successive Labor budget was more about buying favour and band-aid solutions—and big dollars splashed around in election years. They were not about the national interest. They were not about Australia’s future. The coalition’s approach has been vastly different. And because our approach has always been about doing what is right for our country, we have been able to deliver practical benefits for mainstream Australia—important things like the 30 per cent rebate on private health insurance to encourage and reward local residents who choose to take out this cover; commonsense things like more work for the dole places to benefit local communities and provide hope, experience and opportunity for young job seekers; and practical things like the record number of apprenticeships to provide genuine skills and real jobs to hundreds of thousands of young Australians. In fact, if there is a term that accurately describes the focus of the Howard government, it is ‘practical and commonsense’. For example, I refer to the decision to boost school literacy programs by an extra $131 million to help Australian children learn how to read and write—a problem that was ignored by Labor for too many years. And the fact is that if you get the economy right, it opens up so many other opportunities. Instead of having to spend $9 billion a year just to pay off the interest bill on Labor’s debt, we can spend this money on practical measures—better roads, better hospitals, an even stronger education system. We can also allow for unexpected funding measures, such as those contained in these two appropriation bills.

These bills provide appropriation for some very worthy and important measures. For example, Appropriation Bill No. 3 provides $40.4 million to the Australian Federal Police for their participation in the United Nations Transitional Administration in East Timor. It also provides $740 million to the Department of Defence to cover the government’s decision to increase the readiness of a second brigade to 28 days notice to move. Both are important decision in terms of the remarkable role that Australia continues to have in restoring peace and ensuring democracy for the people of East Timor. I would like to take this opportunity to again convey our thoughts and prayers to the many Australian men and women who continue to do such an important, and at times very dangerous, job in East Timor. While the media is not so intently focused on their work as was the case last September when they first went to East Timor, they can be assured that we are thinking of them and we will not forget their service. Australians recognise that restoring political stability in our region is important. But we are also acutely aware that our service men and women are the ones who bear the brunt of any decision to engage in a hostile situation. Fortunately, our worst fears have not been realised. We recognise that this
is due, in large part, to the professionalism of our troops led by Major General Cosgrove.

Having a stable economy and a budget in surplus means we are in a much better position to take a leadership role in our region. It also means we are in a much better position to offer a hand of friendship to those in need. Appropriation Bill No. 3 also allocates $135.6 million to the Department of Immigration and Multicultural Affairs to provide for our decision to offer safe haven to Kosovars and also East Timorese. Australia does have an international obligation, as a relatively wealthy nation, to take on a humanitarian role when it comes to situations of the magnitude we saw in both East Timor and in Kosovo. Operation Safe Haven meant that close to 4,000 refugees from Kosovo were welcomed to Australia from a very uncertain and dangerous situation. While playing a role in international humanitarian programs is very important, the overriding priority of the Howard Government is to extend the hand of support to Australians in need. Appropriation Bill No. 4 allows for an additional $35.15 million for anticipated claims under the natural disasters relief arrangement.

Natural disasters are, by their nature, highly unpredictable. It is right and fitting that the federal government offer assistance to Australians who face economic and personal hardships as a result of fire, flood, storms or cyclones. It is the Australian way to lend a hand to a mate in need, and that is a tradition the Howard government is proud to uphold and to encourage. Unfortunately, the nature of our vast and incredible continent means that dealing with natural disasters is an ongoing challenge. Communities throughout Australia have to grapple with differing circumstances throughout any given year. Our hearts go out to our fellow Australians when we see footage on our TV screens but, more importantly, we also offer real financial support. Part of the funds appropriated in this bill, for example, will allow for $1.5 million in ex-gratia payments to individuals whose homes were severely damaged when Cyclone Van swept through the Exmouth area in Western Australia last March.

These are all appropriate and important funding decisions, but the fact is they would not have been possible if it were not for the responsible approach to economic management that the Howard government has taken from day one. The undeniable truth is that if these decisions were taken at a time when the budget was in deficit then they would simply have added to Australia's debt burden, and we would have been paying even higher interest and leaving a terrible legacy of debt for future generations.

That is what the Labor opposition and some sections of the media do not seem to understand—that the nation simply has to have the capacity to pay for the compassionate decisions we need to make. It is neither compassionate nor responsible to rack up a massive debt and leave that burden to future generations to deal with. Anyone who has ever run a household knows that a debt spiral is a debilitating and difficult thing to recover from.

That Australia is getting on top of the debt that Labor left behind is a credit to all Australians and something of which we can be proud. A combination of four years of sensible, responsible coalition economic management and a recognition by the community that Australia must pay her way has helped us repair much of Labor’s damage. Of course, there will always be one group of people who will find no joy in our improved circumstances. They will talk Australia down at every opportunity, just as they will rake through these two appropriation bills. During this debate they will carp and criticise as only they can. I am talking about the Australian Labor Party. This is the same party which had 13 years to bring about prosperity for mainstream Australians but delivered record high levels of unemployment, record high levels of debt and record high levels of business bankruptcy. They use the word ‘vision’ a lot in many of their speeches. Treasurer Keating liked to call himself a visionary, but the fact was they never saw beyond the needs of their special interest groups. They never planned beyond doing whatever it took to win a few votes, even if it meant promising something they had no intention of delivering, like the infamous 'law' law tax cuts.

But, unlike Labor, the Howard government has been able to adopt a practical, common-
sense approach, while at the same time showing a sense of vision for the future. For example, Appropriation Bill (No. 4) provides an additional $25 million to the Department of Transport and Regional Development for the construction of the Alice Springs to Darwin rail link. This is a major national project with a long history. The railway will be built with around $480 million in government contributions, more than $165 million of which is provided by the Howard government, and around $750 million in private capital. The construction will take three years and provide jobs for 7,000 people in regional Australia.

Senior Australians, many of whom I am proud to represent in the federal seat of McPherson, remember with great fondness the Snowy Mountains scheme. It was a remarkable nation building project that will continue to bring benefits to generations of Australians. While this rail link is not of the same magnitude, it will rank as one of the most significant infrastructure projects in Australia and it will have the same lasting benefits. It will enhance our nation’s trade position, open up new opportunities for Australian industry and have enormous significance not only for the people of South Australia and the Northern Territory but for all Australia. While this project has been on the drawing board for years and years, it never got off the ground under 13 years of Labor. It is the Howard government that has ensured that it will finally become a reality.

I could go on at length about the benefits of the Howard government’s responsible economic plan. Australians are experiencing the real benefits, and it is set to get even better from 1 July, when the new tax system is put in place. I could also talk for hours about Labor’s track record, a litany of woes that Australians remember only too well. But what I cannot really talk at length about is what Labor would do in the future because they have not bothered to put together any sort of plan for the future, economic or otherwise. This Labor opposition has one strategy—to complain, to spread half-truths and to talk down Australia. Labor have no plan, no vision and they are not interested in what is right for Australia. Fortunately, the Howard government does. With this bill, as with other budget bills, we are delivering. I commend these appropriation bills to the house.

Mr EMERSON (Rankin) (6.58 p.m.)—Appropriation Bill (No. 3) 1999-2000 seeks to appropriate $118 million to the Australian Taxation Office for ‘administrative costs associated with the implementation of the GST and other reforms associated with the new tax system’. They are the words of the Minister for Finance and Administration in his second reading speech. That is another $118 million of dead weight loss for the Treasurer’s so-called ‘streamlined new tax system for a new century’ that replaces what he calls the ‘1930s Botswana style outmoded wholesale sales tax’. So much for the ‘streamlined new tax for a new century’, when yet again the government has to come back and get extra money to fund the implementation of this nightmare of a tax. It is another $118 million to ensure that the 1.8 million businesses and non-profit organisations that are required to register for the GST fall into line and comply with the requirements of the GST.

It is $118 million that could have been invested in the nation’s future and in lifting the skills base and education effort of this nation; but, no, the government’s priorities are to put another $118 million into implementing this nightmare of a tax—this so-called ‘streamlined new tax for a new century’. It is $118 million towards more than 1,000 extra GST auditors who have been appointed by the government. It is $118 million extra to enforcing the exemption of some food items from the GST and not others. It is $118 million to implement what the Treasurer himself has described as a nightmare on main street.

I draw your attention to the warning issued by the Commissioner of Taxation before this nightmare on main street was put into place by the Prime Minister and the Leader of the Democrats, Meg Lees. In a speech in Hobart early last year, the Commissioner of Taxation, Michael Carmody, said:

Non-compliance is inevitable. In the UK, fish and chip shops selling both fresh and cooked fish typically report that 30 % of their sales are cooked fish (taxable) and 70 % are fresh (tax free). Anecdotal reports indicate the reverse is closer to the
truth. 70% cooked and taxable and 30% fresh and tax free.

He went on to say:

I also imagine that fish and chip shop owners don’t particularly like the VATman standing in the business all day to observe the true picture—but that is the only viable type of compliance check where distinctions on food are made. The reality is, of course, that ensuring practical compliance by businesses in these circumstances is impossible.

At one level you can get a laugh out of these overseas examples. But the costs to business and the community in the form of our additional administration costs are not quite so funny.

That is what we are talking about here this evening—the administration costs—the $118 million that is being channelled into this nightmare on main street. The tax commissioner went on to say:

However, there is perhaps a more subtle but potentially more dangerous cost to all of this:

Ask yourself this question. What do you think will be the impact on attitudes to compliance with GST and, perhaps other taxes, of introducing rules that inevitably will be subject to ridicule and that almost encourage people to become comfortable with entering into arrangements to exploit them?

That was the taxation commissioner’s warning early last year for the Treasurer and the Prime Minister not to enter into the nightmare on main street. The tax commissioner went on to say:

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are now calling them to account because they have made statement after statement that has proven to be wrong. The first statement on page 6 of this document says:
The fact is that ... education ... will be GST free.
The reality is that the GST will apply to the following education costs: school uniforms, school shoes, stockings and socks, books—except for some textbooks—stationery, school bags and cases, and public transport. Are these not education expenses? Of course they are.

We heard time and time again before the election that all honest Australians will be better off under the GST. The Prime Minister continues to say that. Even yesterday in this chamber the Deputy Prime Minister started talking about a single income couple with a baby at Collarenebri on $30,000 a year, and he says that that couple ‘will have an extra $65 a week in their home to spend’. He went on to say:

A working couple at Sale, in Victoria, with two children at school, on $40,000 a year ... will see an extra $46 a week in their pockets. A self-funded retiree couple in Queensland’s Sunshine Coast with an income of $35,000 a year will find that they receive $13 a week in tax cuts plus more than $9 a week in increased allowances. Their less fortunate neighbours, a pensioner couple with about $15,000 of private income, will receive an increase of around $34 in social security payments under the new system.

He quoted Access Economics as the source for this. But what did the Deputy Prime Minister neglect to mention? The GST. These extra payments and tax cuts are there to compensate for the GST. We have had the Deputy Prime Minister coming into this chamber saying, ‘Look at all these wonderful benefits of the tax system,’ but he just managed to forget that there will be a $30,000 million GST in place from 1 July this year. When you recognise that, you find from the same Access Economics analysis to which he referred that the net impact will be much smaller. There will be tens of thousands of Australian families who will in fact be worse off as a result of this. Ann Harding of NATSEM, often quoted by the ‘Treasurer in relation to this issue, has done some updated analysis to take into account the impact of recent increases in interest rates. She has been able to find a number of categories of Australian families, which would run into many thousands of families, who will be worse off as a result of the interest rate rises associated with the implementation of this so-called new tax system for a new century. This document which was released before the last election and put in just about everyone’s letterbox also went on to say this:
The fact is that the GST is not an extra tax to be placed on top of existing taxes.

Again, completely untrue. The GST will be applied on top of the following taxes and charges unless there is a new special exemption from the Treasurer: fire levies in some state—although I must say not in others—environmental levies, bushland acquisition levies, camping fees, national park entry fees, swimming pool entry fees, sporting field hire from local councils, community hall hire from local councils and library fees. The GST applies to excises. That is a tax on a tax. It applies to excises on petrol, tobacco and alcohol. The GST also applies on top of import duties—tariffs. Are not import duties a tax? When people pay them, they pay money to the Commonwealth of Australia. Is this not a tax? Again, this is a complete misrepresentation of the truth in this document that was circulated before the last election. The next ‘untruth’—to be kind—that was perpetrated in this document is this. It says:
The fact is that ... charitable activities ... will be GST-free.

I refer again to the reality in relation to charitable activities. Even under the amendments that were put into this parliament late last year as a result of a new deal between the government and the Democrats, charities will still face GST on commercial operations. These are defined as supplying goods or services for more than 75 per cent of their cost or their market value. The transformation of donated goods into other goods such
as clothing into rags can also attract the GST. In addition, the GST will apply to many fundraising activities including charity auctions, art unions, pie and lamington drives and fetes. If you want to get out of paying the GST on these things, there may be an option not to register, but then of course all of the GST on the inputs that are used by these organisations will not be refunded. So, one way or the other, charities are going to be hit and hit hard by the GST.

The next amazing claim in this document circulated before the last election is this. It says at page 6:

The fact is that ... health ... will be GST-free.

These items are not GST free: skin creams, tampons and sanitary pads, feeding pads and breast pumps, baby bottles and cleansing equipment, vitamins and minerals such as iron, pregnancy kits, sunscreens below 15+, spectacle frames, contact lens solutions, quit smoking courses, first aid kits and band-aids, bandages unless they are prescribed by a doctor, antiseptics and lozenges, and many non-traditional health services and medicines. Obviously these are health expenses, yet this document says 'health will be GST-free'. This is completely untrue. Another claim in the same document, also at page 6, says:

The fact is that GST on business inputs will be paid back.

The truth is that GST on business inputs will be paid back. It has been estimated by Econtech that this will increase bank costs by $430 million, which the banks have said they will pass on in higher fees and charges because those services are what is called 'input taxed'. In addition, no credit will be available to purchasers of motor vehicles for the 10 per cent GST on a car purchased during the year 2000-01. That will further depress the car market. I know my colleague the member for Kingston is very concerned about that, when it is well known by all purchasers. One of the 1,026 amendments that the government has made to its 'streamlined new tax for a new century' disallows GST being refunded on business insurance premiums. That has been estimated by the insurance industry as costing Australian business around $40 million a year. These are just three examples where this statement in the pre-election document—that the GST on inputs will be paid back—is clearly not the case.

Another claim according to this document is that the GST will be simpler. It says:

The new tax system will be fairer, simpler and it will provide real incentives to work and save for the future.

The fact is, as I mentioned earlier, that the tax package and explanatory material weighs 5.1 kilograms, has 1,026 amendments and is thicker than three telephone books. That is a simple tax system? That is a streamlined new tax system for a new century? I would hate to see a complicated one. There is another claim in another document that was also put in the letterboxes of most Australians. This is a red booklet entitled The hidden tax system. This is where the hypocrisy is quite breathtaking, because the government have said, 'We are going to get rid of hidden taxes,' but, of course, when we have moved amendments time and time again to get the GST shown on docket, the government have said, 'No. It will be embedded in the price.' So, the government have said, 'We are going to get rid of the hidden tax and replace it with an open and transparent tax but we refuse to show it on the docket.' In other words, they are simply replacing one hidden tax with another hidden tax.

There is yet another claim by the government in the main document entitled Tax reform: Not a New Tax, A New Tax System. It says on page 3, 'Pensions up by 4 per cent,' and, 'Social security and veterans pensions and allowances will be boosted by 4 per cent,' repeating that claim on page 8. What is ignored in all of this is that pensions and these payments will rise by four per cent on 1 July 2000, but what is neglected is the fact that the government will be taking two per cent of that back in March of next year, when it adjusts pensions for the cost of living increase over that period. Why don’t they say that? Why didn’t the minister say that in his letter to the editor of the West Australian, where he said that ‘Pensions are just going to go up by four per cent’. In fact, I seem to have that letter here. He said:

The government will increase the maximum rates for all pensions by four per cent. This will be paid
as a supplement on top of the base pension and, therefore, will not be eroded overtime. Why did the minister neglect to reveal that two per cent of the four per cent will be taken back a few months later? This is selective representation, or misrepresentation, by the minister—the same minister, and this is a pattern of misrepresentation that we saw in question time, who said that those who cannot benefit from the income tax cuts will receive government payments by way of higher benefits and allowances, including a one-off age pension savings bonus of $1,000 for each pensioner. That is completely untrue because, as he well knew when he wrote this letter, the payment is dollar for dollar for any income that you receive from superannuation dividends or interest. Many age pensioners that I know do not receive any such income and will receive no savings bonus whatsoever.

I conclude with this: we have had a pattern of serial misrepresentation of the facts about the GST before, during and after the election, much of it at taxpayers’ expense. Of the $118 million, I wonder how much is for the next round of government propaganda? I wish the government would start telling the truth about the GST. If it is such a great tax, tell the truth about it; otherwise, this bill will go down in history as Misappropriation Bill (No. 3).

Debate (on motion by Mr Tuckey) adjourned.

AUSTRALIAN FEDERAL POLICE LEGISLATION AMENDMENT BILL 1999

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be made an order of the day for the next sitting.

CIVIL AVIATION AMENDMENT BILL 1998

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be made an order of the day for the next sitting.

ADJOURNMENT

Motion (by Mr Tuckey) proposed:
That the House do now adjourn.

Oil Company Mergers

Mr COX (Kingston) (7.20 p.m.)—On 9 December, I spoke in this place expressing concern about the government’s recently released oil industry policy. The Downstream Petroleum Products Action Agenda was drawn up in-house with the industry. It proposes mergers and rationalisation amongst the oil majors. The government’s decision to support mergers on a case by case basis contradicts the position of the Australian Competition and Consumer Commission that they are not in the public interest.

The ACCC’s public interest test requires that mergers encourage economic development and investment. The oil industry’s objectives for the mergers are the opposite—to minimise the need for investment, particularly the investment required to produce clean fuels. Events since the government announced the policy change have indicated that my initial concerns were well-founded. During the course of the Christmas-New Year break, Mobil announced that BP and Shell had advised they would no longer take exchange product from Port Stanvac. As a result, Mobil was forced to cut its production there in half. The announcement indicated that 20 jobs had been lost. BP and Shell are now shipping refined product to Adelaide through their terminal facilities at Birkenhead. This is obviously a response to the government’s new oil industry policy. Mobil’s competitors want to position themselves for the expected merger process. The brutal reality is that, under the government’s new policy, several Australian refineries are likely to close, and one of them could be Port Stanvac.

What would be the implications of that for the local economy? The loss of the jobs of 300 employees and about 100 contractors. The refinery also supports the jobs of 1,200 others, and there would be a drop in the South Australian gross state product of one per cent. There would be a loss of $30 million to local households; $2.4 million in direct taxes; $59 million in value added; and
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some security of supply. It would be devas-
tating to the economy in Adelaide’s southern
suburbs yet it is Howard government policy.
Not only is it Howard government policy, but
it is a policy constructed by the industry
minister, who is a South Australian.

Once again, the Liberal Party senators and
members of the House of Representatives
from South Australia are ‘missing in action’
on an issue critical to our state. It will cost
about $100 million to convert each Aus-
tralian refinery to producing clean fuels. With
margins severely reduced, the oil companies
want to avoid that investment. The paradox is
that, because Port Stanvac does not have a
‘cracker’—that is, it is not equipped to break
down heavier feedstock into lighter frac-
tions—the cost of converting it to clean fuels
would only be about $40 million, but, if there
are rationalisation alternatives, Stanvac’s
owners could seek to avoid even that invest-
ment.

It has to be borne in mind that Exxon-
Mobil have 12 refineries in the region. Aus-
tralia’s refining industry also has a problem
of scale. The largest refinery in Australia is
BP at Kwinana, which produces 139,000 bar-
rels per stream day. Mobil at Port Stanvac
produces 78 TBSD. Because of excess ca-

pacity resulting from the Asian economic
crisis, they are competing with single refin-
eries producing 250,000 barrels a day in Sin-
gapore and up to 800,000 barrels a day in
Korea. It is a tough market, and the industry
should have been subjected to a full, open
and independent inquiry.

The government has a responsibility to ex-
amine the sorts of policies that should be
adopted to maximise investment in an inter-
nationally competitive refining industry in
Australia. Instead, the government is actually
encouraging mergers which will replace local
refining capacity with dependence on im-
ports. Port Stanvac has the largest lube oil
refinery in Australia, with half its product
being exported. It has other advantages, like
being Australia’s deepest port and it can take
the largest supertankers. Because of its flexi-
bility, the people who operate Stanvac have a
vision for it as an excellent niche refiner.
They deserve the best opportunity to make
that a reality. The ACCC should subject all
arguments by the government that the oil
industry mergers are in the public interest to
the most critical analysis.

Internet: Pharmaceutical Sales

Ms GAMBARO (Petrie) (7.24 p.m.)—I
would like to speak this evening about the
sale of pharmaceuticals over the Internet. The
Internet is probably the most wonderful in-
vention of the 20th century. It has become an
essential tool in our working environment
and I, as a mother of two young children,
know it can also be a lot of fun. But, unfortu-
nately, the Internet can also be a haven for
pornography, extremist groups and less than
honest sales people. A problem that has been
brought to my attention by constituents and
members of the Queensland Pharmacy Guild
is the sale of pharmaceuticals or drugs over
the Internet.

Australia and overseas Internet firms are
advertising prescription and over-the-counter
medications for supply, without providing
professional advice and service. I was quite
alarmed to find that people are able to access
these drugs without the advice of a GP or a
chemist. All that these sites require is for
someone to enter their details into an ‘elec-
tronic GP’ and then pay for their drugs by
credit card. How can there be any guarantee
for the supplier that the patient actually exists
or is providing full details of their medical
history? This is a process that should be un-
dertaken only by a qualified medical or
pharmaceutical professional, and certainly
never by a ‘cyberdoctor’. These Internet sites
fail to provide any facility to check whether
the person is already taking medication and
whether their new drugs will affect the reli-
ability of existing medications. In some
cases, incompatible medication can be fatal.

Another dangerous aspect of drug sales
over the Internet is the production and stor-
age of drugs in an uncontrolled environment.
On a recent tour of a Pfizer pharmaceutical
factory, I was able to experience first-hand
the high quality climate control and hygiene
that has been developed in a major pharma-
caceutical plant. When members of the public
purchase drugs over the Internet, they lose
the guarantee that the drugs that they are
taking have been produced in a controlled environment. What happens to those drugs when they leave the warehouse? If they are kept in a controlled environment, that is fine, but what about humidity during transit? What if they have been tampered with along the way? What about the extreme temperatures in a mailbox? These are all questions that Internet buyers should consider before making their drug purchases.

Additionally, Internet supplies may be delivered by mail, and there is no guaranteed time of arrival. If you are heavily reliant on regular medication, that could be fatal. A patient may have to wait weeks for a product essential to their immediate health and well-being. With all these dangers in mind, it is difficult to understand why anyone would risk their health and buy pharmaceutical products over the Internet, when our own pharmacists and our medical system in Australia provide the highest standard of service and reliability. As Australians, we are very fortunate to have access to an excellent system of more than 500 community pharmacies.

The federal government subsidises the Pharmaceutical Benefits Scheme, which last year had a budget larger than the entire budget of Tasmania. Included in the scheme are 550 drug substances in more than 1,300 forms, with almost 2,000 brands, not including additional drugs in the Highly Specialised Drug Program. This level of support by the federal government allows Australians to have the choice of a wide range of low cost pharmaceuticals. Additionally, our pharmacists and GPs have excellent ongoing training to ensure that drugs are properly administered. Medications are dangerous substances that can cause harm and can even be fatal, and they need to be provided in a face-to-face environment. A visit to the pharmacist guarantees personalised and safe pharmaceutical distribution.

Another aspect of the Internet that I would like to touch on tonight is the issue of Internet marriages, which has been brought to the attention of my electorate and, I understand, is an issue in other areas as well. Internet marriages—where people meet future spouses through the Internet—can have devastating consequences. Unfortunately, with modern day work pressures and the decline in community organisations, young people have fewer opportunities to form long-term relationships, and the Internet offers the opportunity to meet and to develop relationships with people from all over the world. Movies like You’ve Got Mail romanticise the idea of Internet relationships, but real life is occasionally less romantic, with some Internet users being misled. This issue is of great concern to me, particularly when I see the tragedy that some of these Internet marriages cause when they do not work out. It is an issue that should be of concern to all Australians as it is often the Australian government agencies that are left to pick up the pieces.

Middle East: Peace

Mr LEO McLEAY (Watson) (7.29 p.m.)—This evening I wish to say a few words about events in the Middle East, particularly in Lebanon—a country many of my constituents come from and still have family in and a country which has suffered greatly in recent times. Last week Israel launched a major air blitz over south Lebanon, wounding 18 civilians and causing serious damage to the country’s power grid. Most of the country’s power supply was cut. The people were plunged into darkness and mid-winter cold. Because the three main power stations feeding Beirut, the north and the Bekaa Valley were completely destroyed, there was power for only a few hours a day. One commentator described it as a blitz of pain. It is not the first time that power stations have been destroyed, but this does not make it any easier to bear for the people of Lebanon. They are caught up in someone else’s battlefield. They are forced to suffer the consequences of an ongoing conflict which predates the birth of many of the country’s inhabitants. They are truly victims of a tragedy. The search for peace between Israel and Syria is agonising for the Lebanese. They are trapped in the middle geographically and are therefore liable to be used by either side. It is difficult not to feel sympathy for the Lebanese. The southern part of their country is still occupied by the Israeli army, which is supposed to be withdrawing from south Lebanon by July this year. Also, there is the understanding—dating
back to April 1996—whereby Israeli and Lebanese guerrillas agreed not to attack civilian targets or launch assaults from civilian areas. This agreement has clearly been breached.

Why did this attack on the power stations occur—an attack that had devastating consequences for the ordinary people of Lebanon? It allegedly occurred in retaliation for Hezbollah attacks on military targets which have killed six Israeli soldiers, the deputy commander of Israel’s southern Lebanon army militia ally and an SLA militant. These attacks occurred in that part of south Lebanon that is occupied by the Israelis, not on civilian targets in Israel. That is a point that should be stressed. These attacks were not made on civilian targets within Israel.

While its neighbours jostle for the upper hand in negotiations for peace in the area, the Lebanese endure suffering and hardship, not to mention the ongoing occupation of part of their land by a neighbouring country. It is time that UN Security Council Resolution 425, calling for Israel to immediately and unconditionally withdraw from Lebanon, was acted upon. Lebanon has suffered for too long. It must be given the opportunity to recover from the years of debilitating and constant conflict. For too long Lebanon has been the ham in the sandwich—the country in the middle; the country in which both Israel and Syria have fought a proxy war. It is time that both the Israeli and the Syrian troops left. It is time that Syria’s proxy to Hezbollah and Israel’s proxy to the south Lebanon army ceased.

Lebanon went through a very debilitating civil war which it has come out of. The Lebanese are trying to rejuvenate their country. They are trying to restore their country to the jewel of the Middle East that it once was. If there is going to be peace in the Middle East—and I certainly hope there is going to be—we should not forget that the current conflict has disadvantaged not only the Palestinians but also the people of Lebanon who took in many of the Palestinians as refugees after the war in Israel. They harboured them, gave them succour and are now paying the price for this. It is time that all foreign troops left Lebanon. It is time that the Israelis stopped punishing the Lebanese for the activities of people in southern Lebanon and it is time that the Lebanese were allowed to reconstruct their country to be what it was in the past and to be a mecca and a haven for anyone in the Middle East who wants to enjoy the life of that country.

Lucas Heights: Nuclear Reactor

Mr BAIRD (Cook) (7.33 p.m.)—It is now three months since the Sutherland Shire Council began its attack on the federal government over plans to construct a replacement for the nuclear reactor at Lucas Heights—a purely political exercise funded by the ratepayers of the Sutherland Shire to the tune of an initial $40,000, although varying figures are quoted in terms of what the real figure is. It is inappropriate that the Sutherland Shire Council spends its ratepayers’ money on a brochure and other advertising covering a federal government issue when there are so many council issues crying out for attention, not the least of which is traffic in Cronulla. Of course, that was the issue which both the Labor councillors and Shire Watch made such a big deal of when they went into the local government elections, yet when they get in the first thing they do is produce a very expensive brochure to be distributed to everyone in my electorate and in the electorate of the member for Hughes to simply attack the federal government. Three months have gone by and yet the mayor has not phoned me to express his views on this particular issue. They are prepared to spend $40,000 to lobby the federal government to change its views on this yet there has not even been a phone call to the federal government’s representative in that particular area. As the local member I have had no formal approach from the mayor.

The Australian Nuclear Science and Technology Organisation establishment at Lucas Heights has acted as a responsible corporate citizen and is the second largest corporate employer locally. Many of the people in my electorate are employed there. The facility produces radioisotopes that are vital for medical purposes, such as diagnosing malfunctions in vital organs, and industrial safety issues such as identifying cracks in jet en-
gines—also pretty important in terms of the location of my electorate, being so close to Kingsford Smith. On average such technology is used some 360,000-odd times annually. The production of nuclear material in Australia is necessary because the average isotope has a very short half-life and needs to be used quickly, usually within six hours. Therefore, the production facility must be based near a metropolitan centre and close to an airport so the material can be transferred to hospitals around the nation.

For safety reasons, the current 40-year-old ANSTO facility must be closed down by 2005 and replaced by another facility to meet our needs. Consideration was given to simply refurbishing the existing facility but, due to the effective lobbying by the member for Hughes, Danna Vale, the government has opted for its replacement with a new and inherently safer facility. It is clear that this issue is to the ALP one of simple political expediency rather than a serious issue which demands attention for the nation's good.

Just like tax reform, this issue was identified as needing urgent attention and action but was put in the too hard basket because of political imperatives. Of course, the previous government failed to address the issue—it knew it was there and had to be addressed but failed to do anything. Labor has a habit of deferring important decisions—tax reform, Badgerys Creek and ANSTO are three that come to mind—and so it goes into this inevitable point scoring over issues. In a letter in May 1998 to the Chief Executive of ANSTO on the issue, the then federal shadow Treasurer, Gareth Evans, wrote:

On the new reactor, I am afraid that the realities of politics in an election year, and in particular our own need to win Hughes, have led us to a position of opposing a new reactor at the Lucas Heights site—as difficult as that may be to justify in objective safety-focussed terms.

Here is the federal Labor opposition saying that ignoring a safety need is difficult to justify and yet the local Labor councillors are spending $40,000 of taxpayers' money to go and produce this pamphlet against it. The member for Throsby said in a speech to the House in August 1999, upon the tabling of a Public Works Committee report on the issue, that he accepted that there was a need for a reactor because:

We in Australia cannot isolate ourselves from the world. Nuclear medicine is an important element, and it is important to Australia.

The federal member for Hughes, in whose electorate the ANSTO facility is based, has also avoided playing politics with this issue, and I commend both the Labor member for Throsby and the Liberal member for Hughes on the way they have conducted themselves throughout this debate. It is a great disappointment that the Sutherland Shire Council has taken this opportunity for political point scoring at the great expense of those who would expect the funds to be used for the basic needs of local government, particularly guttering and dealing with the amazing traffic congestion right throughout the electorate, particularly in Cronulla.

Stirling Electorate: Scarborough Senior High School

Ms JANN McFARLANE (Stirling) (7.38 p.m.)—Today I will highlight an example of government making decisions based on economic rationalism without fully appreciating the social costs to the community. In my electorate of Stirling, the West Australian state Liberal government closed down the Scarborough Senior High School. This school had been operating for over 40 years and some famous Western Australians attended the school. These include the award winning author Tim Winton, award winning journalist Marnie McKinney, Test cricketer Mick Malone and the rock musician Mark Lizotte, also known as Diesel. The school had always been the focal point of the local Scarborough, Innaloo and Doubleview communities. Through the hard work of parents and members of the local community, money was raised to build a gymnasium and a 25-metre swimming pool for school and community use. These facilities are gone as less than two months ago, against the wishes of the local community, money was sent in the bulldozers and levelled all buildings on the site. This was nothing short of an act of wanton vandalism.

What drove the Court Liberal government to demolish the school? The answer is sim-
ple: money, in this case land valued for building blocks at $16.425 million. A valuation by the Valuer General’s Office on 11 June 1998 was based on the land being divided into 130 blocks with the provision of a mere 5¾ per cent of the site for public open space. Since it came to office in 1993, the Court Liberal government has engaged in a process of closing down schools and selling the school sites for urban development. On 24 June 1998 the Western Australian state Minister for Education, the Hon. Colin Barnett MLA, issued a press release announcing the closure of the school, despite strong community opposition. In an attempt to placate community anger, he made the following commitment in his media release:

In recognition of the value of some of the school’s facilities to the community, however, some of the buildings and facilities on the site would be retained for general community use, such as the gymnasium, swimming pool and an area of public open space.

The minister also made a commitment in a letter he wrote to the Mayor of the City of Stirling. A copy of this letter dated 22 October 1998, obtained under Freedom of Information legislation, reads:

Thank you for your letter dated 14 September 1998 regarding Scarborough Senior High School closure and the resultant use of the land comprising the school site.

In order to begin those negotiations between the Education Department and the City of Stirling on the community use of land and some facilities at Scarborough Senior High School, I detail below the key points:

- The land for community use will include that land containing the hall/gymnasium and swimming pool;
- adjacent land for public open space and parking will also be made available;
- the Education Department will complete necessary maintenance work to the pool and hall/gymnasium before any handover;
- the site, through the Department of Land Administration, will be reserved for specific community use under a Certificate of Crown Law Title; and
- under this title, the City of Stirling will have ‘Care, Control and Management’ of the land and facilities.

I request your City officers contact the Education Department’s Director of Facilities and Services, Mr Stephen Harvey, on 92644893 to begin discussion on the details of the project.

Thank you for raising the matter with me.

Yours Sincerely

Colin J Barnett

Minister for Education

What happened to the minister’s commitment to retain the community facilities? A state colleague of mine, the Hon. Ed Dermer MLC, asked the minister this question on 7 September 1999. The minister’s reply was:

Further detailed discussion with the City of Stirling revealed that the Scarborough Senior High School facilities did not meet the needs of the community and therefore there was no requirement to retain facilities on the school site.

What was the basis of this decision? Where was the public consultation? There was not any. What the community got was a decision made by a state government that has recently been humiliated over its handling of the Leighton Beach development and the City of Stirling Council, a council which, according to the *Stirling Times* newspaper, has more complaints made to the ombudsman about it than any other council in the state.

The lack of proper public consultation on this issue is a disgrace and the whole process has been a sham. While the planning commission was hearing submissions about the future of the site, the floor of the gymnasium was being ripped up. This is public consultation in WA under the Court Liberal government. The local community is fighting this decision. Members of the community have formed the Scarborough High School Open Space Action Group and they are fighting for community input into the future of the site. They are highly organised and have run a great community campaign.

In conclusion, I would like to recognise some of the people I have come into contact with through the campaign—Robyn Murphy, Christine Sansom, Judith Marinoni, Tim Dymmond, John Quigley, Colin Douglas, Angela Kaye and Margaret Erickson, who are just some of this hard working community team. To the rest I have not named: I thank you for your efforts and wish you luck with your open day this Sunday, the 20th. At 3.00
p.m. the group is holding an open day on the school oval. There will be barbecues, free entertainment, bouncing castles for the kids, art demonstrations and organised games. I expect that there will be a huge turnout at the open day. To the Court Liberal government I give a simple message: ignore the wishes of the community at your peril; people will voice their disapproval at the ballot box.

Defence: Facilities

Mrs GASH (Gilmore) (7.43 p.m.)—Late last year three members of the coalition’s Defence and Veterans’ Affairs Committee accompanied me on a trip to Western Australia to visit defence facilities there. Before going on to describe the things learnt from the tour, may I first pay tribute to Joy Brannelly, from the office of the member for Blair, Cameron Thompson. Joy, with Cameron’s generosity, plotted and organised the whole trip and it was simply excellent. We travelled to remote locations without a hitch and the maximum benefit was squeezed from every moment of the three days.

On the first day, we visited Tennix Shipbuilding, where we watched workers putting the finishing touches to three 56-metre search and rescue boats for the Philippine coast guard. Next followed the Austal shipyards, where we saw huge ocean-going ferries—some being completed, some at the beginning of the design phase. The shipbuilding has to be seen to be believed; there is such quality and professionalism. It is really uplifting to see Australian businesses at the leading edge of technology and exporting their product to the world.

In the afternoon, we travelled to Fleet Base West, HMAS Stirling, because we wanted to see for ourselves one of those dreadful Collins class submarines that nobody wants to work on. Lieutenant Theobald met us at the Diamantina Wharf and introduced us to the crew. I was absolutely bowled over by the high morale of the ADF personnel stationed with HMAS Waller. They spoke with pride about their vessel and appreciated the chance to get their points across, emphasising their submarine’s advantages and benefits. In the media, I have heard and seen only negative things. None of that was obvious during our inspection. Yes, there are hitches, but every-one was so positive. We came away with a far more balanced view. As usual, the media has sensationalised the issues, portraying the worst scenario. But when you actually go there yourself and talk to the people working with the situation you learn what is really happening. Our service men and women were eager to show off their sub, and I for one enjoyed climbing in it and all around it—although I did baulk at the escape hatch. I believe the member for Blair was under strict instructions to get in the sub after me and to make sure he got out before me just so he did not get stuck.

We all admire the particular skills, abilities and traits it takes to make a good submariner. I know I could not remain cooped up in there for long periods, even though it is markedly more spacious than many of its predecessors. How many in the House tonight would relish ‘hot-bedding’ it with another worker? For those that do not know what hot-bedding is, it is getting someone out of their bed to begin their shift so you can get into the same bed. Others showed us how they slept on the torpedoes because it was so much cooler. But being somewhat claustrophobic, I was pleased to get out.

The next day we flew to Learmonth Airport, where we were joined by the member for Kalgoorlie, Barry Haase. An absolute dynamo of a woman, Commander Sue Jones, commanding officer at Harold E. Holt, met us and escorted us to a place called the Potshot Hotel. Unlikely as it might sound, the Potshot provides meals and accommodation—luckily, as it is the only place in town. Back at the base, we were very professionally briefed by Commander Jones and the site manager from Boeing Australia. After a tour of the base, we were introduced to the ADF personnel and associated contractors there. They really appreciated the fact that their elected members would travel out to speak to them and that parliamentarians in general would be interested enough in their issues to come in person, which promotes better understanding on both sides. In fact, one of the things that regularly hits me as I travel through my own electorate is the value of talking to people face to face. In this age of technology, people are missing that personal
contact in every facet of their daily lives, and it is easy in our busy world to forget that.

Later that night we met the Exmouth Chamber of Commerce and local councillors. It does not seem to matter where in Australia you go, it is amazing how the issues rarely vary. On our final day we toured the communications centre and the very low frequency and high frequency transmission sites. I have to admit that I thought this bit of the trip would be somewhat boring. Instead, it was an experience that I will probably always remember. It was just like stepping into those Dr Who movies—and I assure you that that is exactly what it looked like.

As chair of the coalition defence and veterans affairs committee, I would like to record my thanks to the secretary and the member for Blair, Cameron Thompson, the member for Herbert, Peter Lindsay, the member for McPherson, Margaret May, and the member for Kalgoorlie, Barry Haase. They put in a lot of effort at short notice to ensure that they could clear the time for this tour and they made certain that they learnt as much as they could. I believe that the committee can only increase the quality of its deliberations and output through its heightened awareness of the issues that concern the people on the ground, demonstrating that this government is prepared to listen to the issues that our men and women in the Defence Force may have.

**Banking Services**

**Mr LAURIE FERGUSON** (Reid) (7.48 p.m.)—In the December issue of the *Journal of Australian Political Economy*, Tim Anderson made the following summary of the Australian banking picture:

Amounting to little more than 5% of bank income pre-deregulation, fees and non-interest charges by 1996 had risen to 35%. The banks further consolidated their profits by continuing to shed staff and automate services through ATMs, phone and internet transactions. However, complaints about customer service to the Banking Industry Ombudsman continued to rise into the mid-1990s, with the main complaints concerning the accuracy of advertised rates and information provided on front-end fees. By the late 1990s the banking industry was spending millions of dollars in the ‘cash for comment’ scandal, covert advertising to counter an influential radio commentator’s criticism of the banks, and the Banking Industry Ombudsman was still reporting a steady increase in a wide range of complaints.

That national picture is certainly repeated in my electorate, and on 17 January 250 residents and aldermen of all political persuasions attended a rally at the Commonwealth Bank in Berala. In the course of 18 months, Berala has suffered a situation where, from having three local banks, it has been reduced to having no banking service. The situation is supposedly to be solved by an agency. In the three years which saw a reduction of 17 per cent in bank branches in this country, we have seen a six per cent reduction in agencies at the same time. The guarantee of the Commonwealth Bank, the last one to get out of town, that this can be solved by the presence of an agency is no long-term guarantee. Over the period I have mentioned, 1,150 banks closed. Citing the example of the Commonwealth Bank, in the period since June 1999 another 17 have closed. The situation is certainly very strongly condemned by the residents of my electorate. The *Daily Telegraph*, the Prime Minister’s favourite paper, published an article on 21 January in which local shopkeepers made these comments:

“We had three banks—St George, Westpac and the Commonwealth—and it was a lovely place. A real country feel in the city,” said Robert Safi, who has run hairdressers Change of Habits for 18 years. ... Neville McKinney and partner Norm Lawrence have been behind Berala Quality Meats for 23 years. “It is criminal what the Government is allowing to happen here,” said Nev.

I now quote Janine Williams in a letter to me:

> Good luck as this is a badly needed service in our area. There are always queues. The elderly will have great concerns.

F.J. Weir in further correspondence to me commented:

> As a general rule, we are not the type of people to attend protest meetings, however we would most certainly attend your meeting at Berala except that my wife and myself will both be at work earning a living, and helping the bank to achieve their $7 billion PA profit.

The proprietor of the Berala Hotel wrote:

> I fear that however you are too late with your efforts. The attitude of banks has swung too far from service to their customers to be concerned about inconveniencing their members. A relief manager at the Commonwealth Bank Berala re-
cently commented to me that he did not know why people queued up inside the bank when the ATM was just outside and could easily be used. You see they simply do not understand that the ethnic and elderly community do not know how to use modern technology, do not trust it and are fearful of asking anyone for help...

What we have seen is a community reaction to the withdrawal of this service in Berala. The reality is that, as with the reduction of services on many other fronts in the government sector as well as on the banking side of things, this will certainly demoralise the shopping centre in general. Already shopkeepers are saying to me, ‘Essentially the shopping centre has got problems. Maybe I should move to Auburn, maybe I should relocate.’ Quite frankly, if anyone knows anything about Sydney, if you do not have any banks in Berala, then there are a lot of suburban shopping centres that are far worse in their general support and general interest than this one. So what we are seeing is a general reduction of service which further undermines local traders. Tomorrow I will table in this House the first 700 local petitions which criticise the way in which banks are closing down their services in this country.

Parramatta Electorate: Chesworth Appeal

Mr ROSS CAMERON (Parramatta) (7.53 p.m.)—Members on both sides of the House will be familiar with the experience when a constituent comes to see you and tells you a story of human need that shakes you out of any sense of comfort or complacency. It is particularly heart-rending when you have the feeling that there is nothing within your power that could be done to assist. I almost had that feeling when I had a visit from Corrie Chesworth from Carlingford in my electorate. She told me the story of her foster son, Luke Wheeler, who was born with profound disabilities. He was born blind, with no expressive or receptive language, with epilepsy and cranial hypertension. He suffers repetitive ear, nose and throat infections. He is severely intellectually delayed and he is unable to remain standing, spending most of his time either in his wheelchair or crawling on the floor. She told me that Luke was made a ward of the state shortly after birth and she and her husband Graham adopted him as foster parents when he was 12 months old. He was not expected to live very long but in the care of the Chesworths he has grown and he is now eight years old. He is over 30 kilos, and the Chesworths, now both retired, were having difficulty lifting him in and out of the restraining seat in their car to transport him to and from the Deaf and Blind School at North Rocks that he attends when he is well enough or to his medical appointments. So they said, ‘We really need a wheelchair accessible vehicle, but all of our disposable income is used up in caring for his medical needs. The Department of Community Services had no money in their budget for it and the Commonwealth likewise do not have a program that would allow us to find the $25,000 we needed for the vehicle.’

I just felt on this occasion I could not say to her, ‘There is nothing I can do for you.’ So we launched a community fundraising appeal called simply ‘the Chesworth appeal’, and I have to thank the Parramatta Sun, the Parramatta Advertiser and the Northern District Times for their support. We simply told the story of Luke and the Chesworth family and their commitment to this boy and we asked people to help. I wrote directly to the pharmaceutical industry—because I have found them to be generous in the past—and I was very encouraged when Pfizer pharmaceutical company opened with a $5,000 contribution. That was followed by $1,000 from Eli Lilly Australia and $1,000 from Merck, Sharpe and Dohme. The Parramatta Lions Club kicked in with $1,000. Sigma pharmaceutical company also made a generous contribution. But it was often the smaller donations that had the biggest impact. Jeanette and Patrick Collison from Greystanes in the electorate of the member for Reid sent $25 and said:

Dear Mr Cameron

Please accept our donation to try and help the loving Mr and Mrs Chesworth with their kind hearted work—wish it could have been $25,000.

Jim and Lois Skinner, also from the electorate of Reid, wrote and said:

It is people like Corrie and Graham Chesworth who are an inspiration to humanity and make this world worth living in. Please accept this donation with our love and respect.

There were many other donations, from people inside and outside of my electorate, of
$20, $100 or $200. They just kept on coming in. You can imagine my encouragement when I had a call at the end of last week from Tony Garnett, who runs West City Holden in Sunnyholt Road in Blacktown in the electorate of—

Mr Laurie Ferguson—Greenway.
Mr ROSS CAMERON—Greenway.

Tony called me and said, ‘I got your letter, I read the story. How much have you raised?’ I said, ‘I think we’re just up at the $10,000 mark.’ He said, ‘How much do you need?’ I said, ‘I think we need at least $22,000.’ He said, ‘I will give you the difference.’ So today I stand in the House in the tremendously encouraging position of saying that we are ready to purchase a wheelchair accessible vehicle for Graham and Corrie Chesworth in their care of Luke Wheeler. But I am conscious of the fact that there are literally hundreds of thousands of Australians around the country who are caring for kids with profound disabilities who have not had a community fundraising campaign. In spite of the fact that I am a parched economic dry, if there is one area of government expenditure where I would support wholeheartedly a massive increase it is in this area of those who are caring for kids with profound disabilities. So I just want to thank all of those people who responded and made a contribution. I think we can say without hyperbole that Parramatta is a compassionate community, but I think perhaps all of us ought to think about those making herculean sacrifices in order to care for special kids around the country.

Carer’s Allowance: Artificial Heart Recipients

Mr LEE (Dobell) (7.58 p.m.)—Mark Seed and his wife Jennifer came to see me last year. Mark had recently had a left ventricular assist device, an LVAD, implanted in his heart at St Vincent’s Hospital. It is basically an artificial heart, and he was the 13th Australian to have one of these LVADs installed. He and his wife had twice unsuccessfully sought to have his wife obtain a carer’s allowance. The family was living in difficult financial circumstances and Jennifer, his wife, had to be on hand 24 hours a day in case the artificial heart failed. She was required within two minutes to start manually circulating the blood in his body if the artificial heart failed. Mark and Jennifer could have lived adjacent to St Vincent’s Hospital, but that would have cost the New South Wales hospital system or St Vincent’s Hospital $3,500 a week. Instead, they chose to live near their family and friends on the New South Wales Central Coast.

I made representations to the Minister for Family and Community Services in favour of Mark and Jennifer obtaining the carer’s allowance. Unfortunately, the letter from Jocelyn Newman advising them that the policy could not be changed was signed the day before Mark passed away. Jennifer Seed has asked me to once again raise this issue in the national parliament because she believes that the current forms that people are required to fill out do not take account of the absolute requirement of the partners of people with artificial hearts to stay in close proximity to them. She could not go next door to have a coffee with the neighbour and she could not go shopping; she had to stay with him all the time. She and every other person in those circumstances should be entitled to a carer’s allowance, and I would ask Jocelyn Newman to reconsider this policy decision.

Mr Abbott—Order! It being 8.00 a.m., the debate is interrupted.

House adjourned at 8.00 a.m.

REQUEST FOR DETAILED INFORMATION
Parliament House Works Management Project

Mr ANDREN—to ask the Speaker:

Has his attention been drawn to a Parliament House Works Management Project involving $3.7 million of landscaping for two of Parliament House’s courtyards, including garden beds, trees and fountains; if so, (a) when will the landscaping commence, (b) what will each component of the development cost, (c) where is the expenditure shown in current budget allocations, (d) by whom was the landscaping approved and (e) what is the justification for the expenditure.

NOTICES

The following notices were given:
Mr Hockey to present a bill for an act to amend the Corporations Law, and for related purposes.

Mr Hockey to present a bill for an act to amend the Census and Statistics Act 1905 and the Archives Act 1983 in relation to the 2001 Census, and for other purposes.

Mr Entsch to present a bill for an act to amend the Petroleum (Australia-Indonesia Zone of Cooperation) Act 1990 and other legislation consequentially on the United Nations Transitional Administration in East Timor administering East Timor, and for related purposes.

Dr Wooldridge to present a bill for an act to provide for gap cover schemes, and for related purposes.

Mr Slipper to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: CSIRO/University of Queensland joint building project, St Lucia, Qld.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Workers Entitlements: Austral Pacific Bus Company

Mr SWAN (Lilley)—This morning I want to draw to the parliament’s attention the plight of workers and their entitlements at the Austral Pacific Bus Company in Geebung. This company, which employed 240 people, collapsed just before Christmas in 1998. Workers lost all of their entitlements, in some cases up to $36,000. At the time, I made the federal government aware of the circumstances of this collapse, which occurred in almost the same circumstances as have occurred at National Textiles.

The 240 workers at Austral Pacific Bus Company received no assistance from the Howard government. They had as much right to be paid their full entitlements as the workers at National Textiles. When the Austral Pacific Bus Company, under the Clifford group of companies, collapsed, those 240 workers at Geebung lost not only their jobs but also their accrued wages and entitlements and their livelihoods. I raised this matter in the parliament in June 1999 in the following terms:

According to the figures from the receiver, an amount exceeding $6.5 million was due to employees, and that is now unlikely to be returned to those employees. Employee entitlements included at least five months of employer funded superannuation instalments and three months of voluntary superannuation payments deducted from employees’ wages. The last deficiency is particularly appalling. The directors of the failed company included John Barry Loiterton and Ian Hall. These two directors were also the directors of Globane, which had a liquidator appointed in 1996—the same year in which Gilba Holdings failed. Loiterton was also involved in an early company failure in 1974 when Vanbro Corporation went to the wall. The receiver estimates that the total deficiency for the group will be well in excess of $79 million. In January of this year I referred this matter to the government and I wait with interest the results of an ASIC inquiry into this gross business failure.

Having drawn this to the attention of the relevant minister in January 1999, I was told then that the government was concerned about non-payment of employee entitlements.

In March 1999 I was told by the Minister for Financial Services and Regulation, Mr Hockey, that the matter of non-payment of employee entitlements had been examined by the Labour Ministers Council. But no action occurred. Finally, in September last year, I was informed by the minister that ASIC was still investigating the Clifford group of companies, but there was no further information or indication of the amount that will be available for distribution to employees. This is simply not good enough.

To this date I have received no further indication of the progress of this investigation or direction regarding the livelihood of the workers who have lost all of their entitlements. Twelve months is a very long period of time to wait for justice. Why shouldn’t these workers be entitled to the same benefits as the workers at National Textiles? And, indeed, why shouldn’t there be a national scheme, such as Labor has proposed, so that we can be fair to all workers that have been placed in this situation, particularly the workers who cannot get any attention from the Howard government. These people deserve justice and it should be delivered to them.
Mr ROSS CAMERON (Parramatta)—I rise to draw the attention of the chamber to the plight of Parramatta River foreshores. What we have here is a vital natural resource, a beautiful local ecological region, which is simply being washed away by the action of the Parramatta river cat.

The establishment of a river cat ferry service from Circular Quay to Parramatta was the inspiration of the current member for Cook in this place. During his tenure as minister for transport, that project was approved and executed, and residents very much value the 65 services that run up and down the river each week. But, at the time, it was always understood that careful measures would need to be taken to ensure the preservation of the delicate ecology of the river foreshores. That, regrettably, has not taken place under the current government.

I recently took a ride up the river on one of the cats and subsequently took a walk along the foreshores with a number of the local residents who have been most active in the campaign. Particularly I want to acknowledge Margaret and John McGlinn and Anthony, Sandra, Justin and Rachel Bryant of Noller Parade. But the residents between James Ruse Drive and Queen’s Wharf are literally watching their backyards wash into the river.

As you walk along the foreshore you find huge cavernous cracks in the ground where you could literally put a person’s body. There seems to be absolutely no doubt whatever that massive chunks—we are not just talking about a little bit of erosion at the edges—of the river foreshore are washing into the river. When you look across to the other side of the river, to the mangrove stands, you see they are being very badly damaged by the speed of these river cats. Over there you can you see whole trees which have just collapsed into the river because their root systems are no longer strong enough to support large trees along the river foreshores. Those trees, of course, are critical to the long-term ecology of the region.

Mr Deputy Speaker, I have written to the Premier on this subject and just recently got his response, which I will read to the House. He said:

I refer to your recent letter concerning the Parramatta Rivercat service.

As the matters you have raised primarily concern the administrations of the Minister for Transport, and Minister for Roads ... and the Minister for the Environment, Minister for Emergency Services, Minister for Corrective Services, and the Minister Assisting the Premier on the Arts ... I have taken the opportunity to bring your approach to the Ministers’ attention.

I hope that between the six of them someone is actually going to get off their backside and find the funding and protect the Parramatta River foreshores.

Mr ALBANESE (Grayndler)—I rise to expose the secret plan given at a briefing of New South Wales country political members by Sydney airport and Bankstown airport authorities last Friday. That briefing was one at which Greg Russell, the Director of Aviation at Sydney airport Corporation Ltd, proposed excluding prop planes from regional New South Wales from the cap at Sydney airport so that there could be more than 80 movements an hour there. He also proposed, quite outrageously, moving all regional planes to Bankstown airport—that is, he proposed that the people of regional New South Wales would be treated as second-class citizens and shunted out to the busiest airport in Australia.

It is an outrage. We have a federal National Party minister for transport, and we had National Party federal, state and local government representatives there, and yet not one word from them about the briefing which would treat the people of regional New South Wales as second-class citizens has leaked from this meeting. It is consistent also with the approach of
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Sydney airport, which is to deliver a precision radar monitoring system for that airport. That system will allow an increase in the number of jet movements on the main north-south runway at the airport, which you will need if you intend to simultaneously operate air safety systems and navigation systems between Bankstown and Sydney airports.

It is not surprising therefore that the PRM has met with massive resistance. The government has called a public inquiry. It placed an ad in the Sydney Morning Herald on 29 January. There are 13 council libraries in which information is available yet only one, Marrickville, is within 10 kilometres of the airport. The other 12 locations are north of the Parramatta River at Baulkham Hills, Willoughy, Dee Why, four locations in Hornsby, three in Kuringai, Lane Cove and Ryde. The only public hearings for this are to be held in Gordon and Hornsby. I have a message for the minister: there are people between Sydney airport, the end of the runway, and Gordon and Hornsby. They vote Labor, but that does not mean they do not have a right to be heard. The fact is that a person’s hearing is not more sensitive the more money they have. The fact is that this plan to get rid of the cap at Sydney airport, move regional airlines to Bankstown and to run a north-south runway operation with PRM jet movements for 14 hours a day, 80 plus jet movements an hour, is a disaster. It makes a mockery of the Prime Minister’s claim that regional services will not be removed from the bush. It is up to the Prime Minister and the Minister for Transport and Regional Services and members of the National Party to come out against this plan. (Time expired)

Mr BARRESI (Deakin)— Late last year I received nearly 50 supporters of the Jubilee 2000 Project outside my electorate office. They were concerned constituents, mainly from my local church community. They arrived bearing metres and metres of paper chain which symbolised chains of debt, with each link signed by advocates of the program. To remind the House—although I doubt if there are any members who have not heard of the program—Jubilee 2000 has called for the world’s wealthier nations to forgive the debts owed to them by those countries that cannot afford to pay.

It stems from religious tradition that at every Christian jubilee the world makes a gesture towards reconciliation and debt forgiveness. This year is the 2,000th since the birth of Jesus Christ and has been declared a jubilee year. As one would expect, the Jubilee 2000 project has been endorsed by many church and charitable organisations throughout Australia. Their campaign to free the world’s poor from debt has increased awareness of world poverty and, as this government knows, debt is an unwanted harness on the economy and helps only in keeping the have-nots in that category. In democratic countries such as Australia at least we have the capacity to throw out governments that overspend and promote galloping debt, and no greater evidence of this can be found than in the 1996 election. In many poorer nations democracy as well as surpluses are a pipedream.

I am heartened to see the public support of so many for the Jubilee 2000 Debt Elimination Program. That support certainly counters some of the mean-spirited misinformation spread around about Australia’s foreign aid program about helping others but hurting our own. Australia has, of course, been heavily committed to helping other nations overcome embedded economic problems. It does so through the Heavily Indebted Poorer Countries initiative, its involvement with the Paris Club, and calls for support through bodies such as the United Nations.

In October 1999, the Treasurer announced that Australia had increased its contribution to the HIPC initiative from $30 million to $65.5 million. While I realise this alone will not resolve debt problems in all poorer nations, I am somewhat dismayed to see the Australian government described in the Jubilee 2000 Australian web site as a scrooge. The USA and
Great Britain have promised already to cancel debt owed by quite a number of poorer nations. While this has been lauded and used as leverage against countries like Australia, the USA and the UK do so only on the proviso that poorer nations meet the requirements laid down by HIPC. HIPC encourages economic and social reform to ensure that forgiveness of debt leads to a lasting solution and that the savings from debt relief are channelled directly into poverty reduction.

Notwithstanding the risks of debt cancellation and the fact that it may be seen as a get-out-of-jail-free card by some nations, I continue to urge the Australian government to do all it can to further reduce economic and social deprivation amongst the world’s poor and those in our own nation. I congratulate the Deakin supporters of Jubilee 2000 for their great intent and perseverance. (Time expired)

Transport: National Integrated Transport Plan

Mr MOSSFIELD (Greenway)—I have recently received correspondence from the Western Sydney Alliance, an organisation of local councils representing 1.5 million people in Western Sydney. The alliance has written about the need for an integrated approach for the development of the Sydney-Canberra very fast train and the second Sydney airport outside the Sydney basin, potentially two of the nation’s largest infrastructure projects. Both projects have the potential to affect the efficiency of the present transport system and further national transport projects like the mooted Australian east-west high-speed train service. Both the Sydney-Canberra very fast train and the second Sydney airport issues are presently being considered in isolation from one another. The wrong decision taken now in respect of either could lock our nation into an inefficient transport system for the next 50 years. The alliance is of the view that both issues should be considered as part of a broader national transport infrastructure plan. The key objectives of the plan would be to ensure the integration of the nation’s major air and ground transport needs in order to deliver an efficient transport system.

The Western Sydney Alliance is calling on the federal government to establish a commission or task force with suitable judicial powers to develop a national transport infrastructure plan during the next two years. In support of this integrated transport plan, the alliance has developed a position paper that says:

Federation brought with it a legacy of a rail infrastructure born out of sectional and regional interests. One hundred years ago there was no national government in this country to prevent the emergence of different rail gauges in different states. No national government to establish a national transport vision and a national transport strategy.

We now risk entering the second century of our Federation with the same absence of cohesive and effective national transport strategy that applied at the birth of the nation.

Isolated inappropriate decisions taken now in respect of both the high-speed rail and second Sydney airport issue will not easily be reversed. Both processes have been widely and properly criticised as having proceeded thus far on a piecemeal, ad hoc basis.

I welcome the Western Sydney Alliance document as a useful addition to the debate on the transport needs of Eastern Australia.

Families: Youth Problems

Mr LAWLER (Parkes)—Travelling around my electorate of Parkes, as I often do, I see many positive and great things that have been done but I also see many disturbing aspects of our society. One of the fears that I have is that there is a section of our young population that we have been sadly neglecting as a society. If we continue on this path, a large part of a whole generation could be consigned to a social scrap heap. As usual, you cannot make general comments about a particular group of people but the problem I refer to crosses race backgrounds as well as geography because I am sure similar problems happen in the
metropolitan areas. I believe we have developed a culture that has concentrated too much on the rights of people rather than their responsibilities. Successive governments have focused their attempts on being fair to less privileged people by alleviating their problems purely by throwing money at that problem. I do not believe we are going to solve our social problems overnight but many of those that we think are law and order issues or education problems alone are in fact more complex than that. We need to return some of the responsibility for children back to their parents and, if parents are not fulfilling those responsibilities, then they should be assisted to meet those responsibilities.

One of the saddest sights I see is children going hungry and unsupervised and wandering around the streets because their parents are drinking, gambling or using drugs which takes all of the family’s income, whether it be wages or welfare. Of course, the majority of parents care for their children very well and are conscientious about their responsibilities. But I believe if there is a family who has demonstrated that they are unable to do this, perhaps there is an area we can influence their behaviour at a governmental level. This could be perhaps in the way welfare payments are made. We need to look at a wide range of options and people need to be able to express their views without worrying about being crucified by the thought police for daring to suggest something a bit novel. There are many better able to make suggestions than I but perhaps one suggestion would be that if someone is brought before the courts or if they are reported to DOCS and they have demonstrated an inability to control their finances and care for their family instead of wasting the money on gambling or alcohol, one option could be payments being made in smaller amounts more regularly. I would say that we cannot keep doing what we have been doing because it has quite clearly failed too many people.

As I said, I am not talking about one particular group of cultural backgrounds or one particular group geographically. There needs to be far more support, much of which is presently provided by under-resourced church groups. All levels of government, local, state or federal, must cooperate with business in preparing people for jobs as well as cooperating with the community and their charity organisations. It is a big ask but without doing something different we will only get more of the same and it is our children who are at risk. I ask the government to please consider looking at the way these payments are made, perhaps opening it up for wide ranging discussion where people can put their views without fear of being knocked down before their views have been canvassed.

Mr DEPUTY SPEAKER (Mr Nehl)—In accordance with standing order 275A, the time for members’ statements has concluded. The Main Committee will now consider government business.

GLADSTONE POWER STATION AGREEMENT (REPEAL) BILL 1999
Second Reading

Debate resumed from 24 November 1999, on motion by Mr Entsch:

That the bill be now read a second time.

Mr TANNER (Melbourne) (9.58 a.m.)—The Gladstone Power Station Agreement (Repeal) Bill 1999 is to repeal the existing legislation that relates to the Gladstone Power Station agreement of 1970. The Commonwealth provided a $183 million loan to Queensland to finance the construction of a coal fired power station at Gladstone which was designed to attract export oriented industrial activity to Gladstone. Under that agreement, which is a schedule to the 1970 legislation, there was a 30-year period in which the loan to Queensland would be repaid. In 1994, the Queensland government sold the power station for a figure of $750 million. As a result of this, the Queensland and Commonwealth governments agreed that the Queensland government would pay out the balance of its loan to the tune of $59 million in full settlement. Discussions about finalising the loan arrangements had gone on since 1992.
However, Queensland of course was still technically bound by the 1970 agreement to pay the Commonwealth an additional sum of around $75 million.

While the Commonwealth does have the power to waive debts under the Audit Act 1901, that did not allow specifically for waivers for future or prospective debts. With the coming into force of the Financial Management and Accountability Act in 1998, the Commonwealth has, since that time, been able to waive such debts.

The waiver of the $75 million which otherwise could have been sought from Queensland was approved by the Minister for Finance in mid-1998. As a result of this waiver, there are no longer any obligations owing to the Commonwealth under this legislation by Queensland and the legislation is therefore redundant. The government has moved to repeal legislation. The opposition supports the repeal.

Mr CAMERON THOMPSON (Blair) (10.00 a.m.)—As has been stated by the member opposite, the member for Melbourne, Mr Tanner, the Gladstone Power Station Agreement (Repeal) Bill 1999 repeals the Gladstone Power Station Agreement Act of 1970. It has already been canvassed that it was a $183 million loan that enabled the construction of the Gladstone Power Station. Perhaps I should remind parliament of what we are talking about here. The former Queensland Minister for Mines and Energy, Mr Ken Vaughan, in those days said:

The Gladstone Power Station, which has a total generating capacity of 1,650 megawatts, was opened on 17 September 1976. It has six generating units, each with a capacity of 275 megawatts. Initially, its planned capacity was 1,100 megawatts—four units—but, in September 1975, it was decided to increase the number of units to six to meet anticipated demand in 1980, 1981 and 1982.

Those statements about that increase in anticipated demand highlight the fact that the Gladstone Power Station was part of a train of development that occurred in the Gladstone region in those days. Initially, Comalco decided to build an alumina refinery at Gladstone. That was a big construction project that employed a lot of Queenslanders. A boom occurred with the construction of this power station which surfed to a new, higher level. In the wake of this construction, the great big boom continued because after that we had the construction of the aluminium smelter.

In those days, I worked as a cadet reporter on the Gladstone Observer. It was my responsibility to write stories about this boom. In those days, if my fellow journalists—one of whom was John Hurst, now a writer for the Financial Review—and I could not find in a story the word billion, it would not make the front page of the paper. It would have to be buried somewhere inside. That was the nature of Gladstone in those days.

Some of those billion dollar projects that we were madly referring to never came to fruition. One of them was about the Rundle twins. They are still carrying on and coming closer to fruition after all this time. But other magic projects like giant jojoba plantations never really saw the light of day. It was the nature of the time that, in Gladstone in those days, every tree seemed to have money hanging off it. There were people sleeping in cars and public toilets because the town was growing too fast; there was too much work for the available accommodation. In fact, at the time, I moved into a house in Telina estate. This was completely cut off from the city. The only way we could go to work in the morning was to head in exactly the opposite direction and drive for 50 kilometres out of our way to eventually get back to Gladstone. At the time, the Mayor of Gladstone, Col Brown, threatened to tie himself down in the middle of the road to the alumina refinery because of the lack of infrastructure being provided by the state government. Obviously, it was putting a tremendous burden on the community. At the same time, it was creating tremendous wealth.

I have already mentioned the subsequent construction of the Boyne aluminium smelter. The bill that we are talking about today comes about because eventually the Gladstone Power
Station was sold off to a consortium with Comalco and an American company, NRG, in 1994 precisely to allow for further expansion to occur in the Gladstone region and to facilitate another round of this mad construction boom which I think is still continuing today and will go on into the future.

The sale of the Gladstone Power Station facilitated the construction of a third potline on the aluminium smelter, because having that power station under the control of Comalco and NRG meant that the operators of that potline could feel much more assured of an electricity supply. So it was a very important part of their construction project.

To underline the impact of this sale and the subsequent construction of a third potline at the aluminium smelter, I will refer to the number of jobs that were created in this continuation of the boom referred to by the former member for Gladstone at the time, Mr Bennett. Of the 943 jobs that were to be created by the project, 375 were to be at the Boyne Smelter, 306 elsewhere in the region and 132 elsewhere in the state. So there were 681 jobs coming to Gladstone as a result of that, and that was anticipated to generate another $28 million in wages into that very fortunate local economy. It was turbocharging the local economy and was very important. By providing those companies with ownership of the power station, we could provide them with a guaranteed supply of power so that they could feel confident enough to then proceed with this further expansion.

As was stated by the member opposite, the initial loan of $183 million to finance the Gladstone Power Station was set out in repayments to the Commonwealth over the years up until 2009. However, once this sale went through for a total to Comalco of $750 million, we would then have to look at getting rid of that repayment and settling up the outstanding amounts. In talking about the size of this $750 million asset sale, Wayne Goss, the Premier of Queensland at the time, stated:

This transaction has been described as the largest and most complex transaction of this kind being conducted in the world at the moment.

I think he was right about that. It had a massive impact on the state budget, and I am indebted to my former employer and the then shadow Treasurer of Queensland, Mrs Sheldon, who asserted at the time that Budget Paper No. 5 showed the effects of the proposed sale of the Gladstone Power Station on the state budget in 1993-94. It showed that private gross fixed capital expenditure in Queensland that financial year—that is, 1993-94—rose to 7.3 per cent with the sale included, but was only 0.1 per cent without the sale. Obviously, that is a massive impact on private gross fixed capital expenditure. In fact, it looks like it was the only game in town in Queensland at that time.

The same chart published by the then Labor government showed that business investment in that financial year in Queensland was to rise to 16.8 per cent with the power station sale included but to only 1.2 per cent without it. When you look at the issue of plant and equipment, you will see that it was going to rise to 25 per cent with the sale but was actually going to be minus 0.2 per cent without it. Clearly, this was about the only feather that the Goss government had to fly with economically at the time, and by beating their wings as hard as they possibly could they eventually did fly—at least for another year or so.

As part of the sale, there was a one-off payment of $59.1 million returned by the state government to the Commonwealth. That was treated as an advanced payment on those subsequent instalments that had been due up to 2009, but it only covered the period up until July 1998. On 13 July 1998 the federal Minister for Finance and Administration approved a waiver of the outstanding $75 million. This was enabled to happen under section 34 of the Financial Management and Accountability Act 1997. I think it is significant, because $75 million is not small potatoes and this was going to a state government which at the time was
talking about how they were going to be short-changed, allegedly, under the GST and other
issues like that. I think $75 million coming into their pocket at that time is something that they
should have been giving cognisance to, but I do not recall them mentioning it. I must say that
I am not surprised. I think it is quite a considerable act of generosity on behalf of the
Commonwealth to forgive that amount of outstanding money.

At the moment, the Gladstone Power Station Agreement Act 1970 is basically redundant,
so we are finally knocking it on the head. In closing, I will refer to something that I think
really has relevance today. I quote the Queensland Premier’s remarks about the deal, which
was most difficult and complex at the time. He said:

The Gladstone Power Station will remain connected to the Queensland Electricity Commission grid
and supply power to the Queensland Electricity Commission.

Of course, it was doing that, even though it was owned not by the state government but by
an outside concern—Comalco and NRG. It was going to remain connected and this required,
he said:

... complex agreement on interconnection, power pooling, mutual support, interruptibility, billing systems, rail
agreements and a number of other agreements ...

In the context of the recent power shortages in Victoria, if you are selling off what was at
the time the biggest power station in Queensland to a private operation, there would be
questions in the mind of the public as to who would have first call on that power in the event
of power shortages. People might know that aluminium smelters, in particular, are very
subject to the impact of power shortages. In fact, if there is a blackout and it affects an
aluminium smelter, it is a well-known fact that basically the whole thing completely freezes
over. All the aluminium solidifies, and billions of dollars can be blown in an instant as a result
of a power shortage.

That was an arrangement that was put into place in those times, yet it was designed to
protect the electricity consumers of Queensland. Of course, this has a great resonance at the
moment in Victoria where people are saying, ‘The power stations have been sold off; how was
it that power was sold to NSW when our local Labor government was saying that there was a
strike and telling us about all those difficulties—and we’ve got power shortages?’ I think we
should look at what was the arrangement. The Premier of Queensland said at the time:

A power exists under the Electricity Act which would allow the Minister for Minerals and Energy to
ration the use of electricity. This power could be exercised by another Minister in the future in a manner
so as to override the commercial obligations of the QEC in respect of its arrangements with the
purchasers. This is counter to the stated objectives of the arrangement.

One of them basically is to provide power to the potlines at the aluminium smelter. The
Premier continued:

A provision has, therefore, been included which limits the relevant Minister in the exercise of the
rationing power in relation to the smelter. However, the arrangements ensure that, should the Minister
acting in good faith require in the interests of good government and for the protection of life and
property to ration power to the smelter, he may do so.

I do not know how they ever got that form of words to have any real meaning. I think that,
in the end, it would have been very difficult to police one way or another. For the sake of
good government, it would have been possible for the relevant minister to freeze up the
aluminium refinery in Gladstone and consign it the scrap heap. I do not think it ever would
have happened, but I think it illustrates the difficulties that governments can have if they want
to try to have one foot in both camps on these issues.

That is a worthy reminder of the responsibilities of state governments in providing power
to their people. Given the redundant nature of the old 1970 bill, there is no reason why it
should not be knocked on the head—and I see it as important that we do so—but, in doing so, it is a great opportunity to remind ourselves of what has gone before and to remind ourselves that in making these arrangements in future we be aware of all the possible contingencies that may arise and take good counsel on the decisions that have been made in the past.

Mr NEVILLE (Hinkler) (10.14 a.m.)—I would like to speak during this debate on the Gladstone Power Station Agreement (Repeal) Bill 1999. The Gladstone Power Station is located in my electorate of Hinkler. As the previous speaker, the member for Blair, Mr Cameron Thompson, said, it was, in its day, the largest powerhouse in Queensland and played a vital part in extending the state grid and also in establishing the security of the third potline at the Boyne smelter. As the member for Blair said, the Gladstone Power Station was first established in 1970, after the Commonwealth provided a $183 million loan to the Queensland government. The development of this important facility hinged on the federal government’s support. I would like to talk about the importance of supporting national and regional development projects like this in the future. I know it is not the flavour of the month for the Commonwealth to get involved, but my agrarian socialist tendencies make me think at times that we should not cut all of these things out of our agendas.

The Gladstone Power Station Agreement (Repeal) Bill basically repeals the redundant 1970 act. Under the Gladstone Power Station Agreement Act 1970, the Commonwealth provided a $183 million loan to Queensland to help finance the actual construction of the powerhouse. The loan was made on the basis that the state would enter into an arrangement with export oriented industries for the provision of a significant portion of the plant’s power output for that purpose. On 30 March 1994, the Queensland government completed the sale of the Gladstone Power Station to a consortium led by Comalco and NRG for $750 million. At the time, the Queensland government made a single lump sum payment of $60 million to the Commonwealth to extinguish the loan. The repayment was made under conditions that were agreed to by the then Prime Minister, the Commonwealth Treasurer, and the Queensland Premier—Mr Goss, as it turned out, as the member for Blair informed us.

Technically, the payment by the Queensland government did not formally extinguish the obligations, as the loan agreement provided for biannual payments up to the year 2009. However, with the proclamation of the Financial Management and Accountability Act 1997, the Minister for Finance and Administration had the power to prospectively waive the debt. On 13 July 1998, Minister Fahey approved the waiver of the $75 million in outstanding principle and interest as at 15 July 1998. So while the act had been inactive since 1994, all legal obligations established by the loan have now been extinguished.

This power station makes a significant contribution to the Gladstone community and to the Gladstone economy. It has 383 permanent employees, as well as contractors and project-specific employees. The city of Gladstone as a whole has often been described as the engine room of Queensland, as it hosts many of Australia’s manufacturing industries. Comalco has been involved in the Gladstone-Calliope area for more than 32 years through its joint or part ownership of the Boyne smelter, which is a three potline smelter, the largest in the Southern Hemisphere; Queensland Alumina, which processes bauxite from Weipa into alumina; and the Gladstone Power Station, about which we have been speaking. Together, these three industrial giants employ 2,500 citizens. So, as you can imagine, it is a very important part of my electorate and a very important part of the economy of that Central Queensland region.

I would like to talk a little about what Gladstone has done to meld industry—not just for this power station, because it has downstream effects for the whole community, but for the large industries which I spoke about and for the whole community. I recently attended the launch of the Gladstone Regional Greenhouse Partnership Strategy. Minister Truss was in
town for that. It is an Australia First project aimed at helping Australia to meet its greenhouse gas reduction targets. The Commonwealth contribution through the Australian Greenhouse Office was $760,000—quite a significant grant. In many respects, the project is a pilot for the rest of Australia. The strategy, which represents an agreement between the local community and the Australian Greenhouse Office, will be managed by the Gladstone Area Promotion and Development Board.

I congratulate the chairman, Graham Fenton, the general manager, Noel Wootton, and the project officer, Fiona Martin, for their excellent work on the preparation of the submission. The strategy will assess the opportunities for enhancing carbon sinks in the region and using local industrial waste to establish new by-products and industries. It will also include a major study into transport in the Gladstone region.

In addition to this new strategy, many of the major companies in Gladstone have been providing financial support to environmental projects in the region. Boyne Smelters and the Calliope Shire Council have developed the Turtleway Bike Path. It might not sound much on paper, but it is an outstanding project that stretches right along the foreshore at Tannum Sands, which is a satellite township to Gladstone. I spoke at the opening of this magnificent facility on Australia Day—at the time there was about $3 million worth of expenditure and there is more to come. It really turns the foreshore of that area into something quite special and enhances the Tannum Sands surf club, which is probably the last surf club with any sort of surf as you go north along the Queensland coast. Similarly, about $90 million has been spent on direct environmental improvements at the power station itself.

Gladstone’s commitment to the environment goes even further. It has an extraordinary record in the number of tidy town competitions it has won in the last decade. That cannot happen without a considerable focus on the environment. I was very impressed too by revegetation projects sponsored by the Gladstone City Council in what can only be described as wasteland. This project involved the strategic seeding of some of the poorest shaley country that you could imagine. I saw the project 15 months after its inauguration and at that time the vegetation was already at waist height. I have been back more recently to have another look at it and it is quite remarkable. In this instance the seeds were sent to a laboratory in Newcastle where they were subjected to smoke and acetic acid and heat—the whole idea being to duplicate the conditions in the environment—and then the seeds were broadcast. There was no watering done, there was no trickle irrigation—none of that sort of stuff. It just shows that, with the right approach, revegetation need not be the difficult problem it might look at first. I compliment the Gladstone City Council and those involved in a particularly fine project. In short, it is quite unique to have two local authorities in so industrialised an area focused not only on industrial cleanliness but also on positive environmental measures and civic amenities.

The importance of industry to the Gladstone region is highlighted by Comalco’s proposal to erect a multibillion dollar alumina plant in the city. That is in addition to the existing one, I might add. It is linked, however, to the Chevron gas pipeline from Papua New Guinea and there have been some difficulties there. We understand Comalco will make some announcement on whether it chooses Gladstone or Malaysia in the next month or so. The project will involve capital expenditure of $3 billion over three stages. If Gladstone were successful, the new refinery, which is expected to be operational by the middle of 2003, would provide 700 jobs during construction and create 450 permanent jobs when commissioned.

The Gladstone refinery would help attract the proposed Papua New Guinea pipeline to Queensland. Competitively priced gas from Papua New Guinea would have major implications for both the industrial and domestic use of gas in the state. Thus it would be an
investment of undoubted significance for the long-term benefit of Australia, both domestically and in terms of export. It is for this reason that the federal government has agreed to $100 million in incentives through the Major Projects Facilitation Fund to enable the alumina project to go ahead in Australia. The government has done everything possible to ensure that the project does go ahead and it will continue to work closely with the proponents to assist the project becoming a reality.

I am a big supporter of the Prime Minister’s Major Projects Facilitation Fund. The program has identified $500 million worth of major projects in regional and remote Australia. They are employment intensive and they either add to export development or import replacement. Honourable members will be familiar with the new paper plant planned for Tumut, the Gorgon gas project in Western Australia and the North West Shelf project. Those three projects, in addition to the Comalco project in Gladstone, will form a very big quadrella for Australia if they all come to fruition.

But, in talking about this powerhouse and what it has done, I would like to promote the concept that this could be extended to regional and rural Australia. I would like to see a regional projects facilitation fund at perhaps a slightly lower level of expenditure, and I would like that regional projects infrastructure fund to be focused on those areas that have endemic unemployment. There are a number of those, including the Wide Bay-Burnett area of Queensland and the Tweed area of New South Wales. I think sometimes the $5 million, $10 million or $25 million that can trigger a new industry could make a tremendous difference in turning around one of those depressed economies. And if we can do it at the $500 million level, why should we not also be doing it at the regional and rural level? But rhetoric is not enough. I accept that we need to have an unambiguous commitment, a leap of faith if you like, and a major injection of development funds on a number of well-chosen and strategic projects.

I will come back to where I started. The very fact that there is a power station and vibrant industry in Gladstone can be traced back to a leap of faith by the then Queensland and federal governments in 1970. That leap of faith has gone a long way to spawning one of the most successful industrial cities in Australia—Gladstone. Not only that, but three of those projects—the powerhouse itself and two projects that spun off from it—employ between them 2,500 people. Two and a half thousand people employed in the Tweed area today, or in the Wide Bay-Burnett area, would make an enormous difference to the economy and the whole profile of the regions.

We should not be frightened in these days of hard economic rationalism to look out across the landscape of Australia for other opportunities. The repealing of this bill today should not be seen as the closing chapter on an agreement but rather as a challenge to look for other projects which could reinvigorate regional Australia.

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (10.25 a.m.)—in reply—Firstly, I would like to thank the member for Melbourne and the member for Blair for their contributions. I would also like to compliment the member for Hinkler for an excellent insight into some very positive initiatives in Gladstone. Certainly, there have been some great achievements by some of its citizens and its local authorities. Gladstone is a vital economic area within his electorate.

As members are aware, the Gladstone Power Station Agreement (Repeal) Bill 1999 was introduced on 24 November 1999 and repeals the Gladstone Power Station Agreement Act 1970. The act established the basis for the repayment of $183 million of Commonwealth loan to the Queensland government to help finance the construction of the Gladstone Power Station in 1970, and it provided for biennial payments until the loan was repaid in 2009.
In March 1994 a one-off payment to extinguish the loan was made under conditions which were agreed to by the Prime Minister, the Commonwealth Treasurer and the Queensland Premier of the time, although the 1994 payment by the Queensland government repaid the debt technically, the legislation continued to remain in force. With the proclamation of the Financial Management and Accountability Act 1997, the Minister for Finance and Administration has been able to waive the amounts technically outstanding. Accordingly, all legal obligations under the act have now been extinguished and this act is being repealed in line with the government’s commitment to remove an act of legislation. It is pleasing to see that we have such broad general support for this initiative and I commend this bill to the House of Representatives.

Question resolved in the affirmative.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

TELECOMMUNICATIONS (CONSUMER PROTECTION AND SERVICE STANDARDS) AMENDMENT BILL 1999

Second Reading

Debate resumed from 9 December 1999, on motion by Mr McGauran:

That the bill be now read a second time.

Mr STEPHEN SMITH (Perth) (10.30 a.m.)—The opposition supports the Telecommunications (Consumer Protection and Service Standards) Amendment Bill 1999. The opposition supports this bill because it is a bill which makes the administration of the National Relay Service more effective. The purpose of the bill is to make minor amendments to the funding arrangements for the National Relay Service. The service provides people who are deaf, or who have impaired hearing, with access to a standard telephone service on terms and in circumstances that are comparable to the access other Australians have to a standard telephone service, and the standard telephone service via the NRS is effected using voice to text and text to voice translation.

The National Relay Service is a statutory scheme effected under part 3 of the Telecommunications (Consumer Protection and Service Standards) Act. The NRS is funded by the imposition of a levy on telecommunications carriers. The levy is imposed in proportion to the carrier’s share of the total telecommunications carrier revenue in a fashion similar to the universal service obligation. The NRS is provided under a contract between the Commonwealth and the Australian Communication Exchange Ltd, which is a community based non-profit organisation.

The bill is required because the time frame for the collection of the NRS levies provided by the existing legislation has proven difficult to administer. There is a conflict between the contractual timetable for payments by the Commonwealth to the provider and the legislative timetable for carriers to pay the levy to the Australian Communications Authority. The result has been that the Commonwealth has regrettably been late in making its payments under the contract. The proposed technical amendments extend the time frame so as to ensure consistency between the Commonwealth’s contractual obligations and the legislative requirements. In other words, it seeks to make easier the performance of good works by the Australian Communication Exchange Ltd in delivering the obligations imposed by our telecommunications legislation in effecting the NRS. It is a good example of Commonwealth legislation making easier the implementation of good works on behalf of people who are voice impaired or who are deaf. The opposition supports the legislation.
Mr NEVILLE (Hinkler) (10.33 a.m.)—I am very keen on the Telecommunications (Consumer Protection and Service Standards) Amendment Bill and other bills that deal with the provision of specialist services. The telecommunications revolution has been sweeping the world in recent years and we have seen the introduction of email, the rapid development of various types of mobile telephony, satellite telephones, digital television and the like. Even recently we have seen CDMA being rolled out in Australia. These are very significant telecommunications advancements, albeit with a few glitches along the way. These developments are providing significant benefits in helping break down barriers. So it is important that as many people as possible have access to these rapidly developing telecommunications and broadcast communications services.

The Australian Communication Exchange is an organisation striving to achieve that goal. This national non-profit organisation operates the National Relay Service, which in turn helps people who are deaf or who have a speech or hearing impairment to have access to the telephone system. More than 120 specially trained officers relay conversations between two parties with the assistance of a teletypewriter or a computer modem. The average number of calls has grown from 600 per day, when the scheme was first introduced in 1995, to 2,200 per day in 1999—a remarkable increase of three and a half times. Demand for the relay service has exceeded everyone’s expectations.

The National Relay Service is provided under a contract between the Commonwealth and the Australian Communication Exchange. The service is funded through a levy paid quarterly to the Commonwealth by telecommunications carriers. Currently there is a conflict between the contractual timetable for payments by the Commonwealth and the legislated timetable for carriers to pay the levy to the Australian Communications Authority. The proposed amendments to the bill will extend the time frames for the collection of NRS levies to address these specific problems. The amendments reflect the government’s support for the National Relay Service and the efficient operation of the service. I think it is vitally important for the government to support services that allow people with disabilities to have greater access to communications as the information revolution, as I said before, continues to expand. These Australians, like the Australians we often talk about in remote and rural Australia, should not be left behind as new communications technology rolls out.

Having said that, I would like to register my support for a proposal by Hervey Bay citizen, Mr Ken Hall, for a national radio station to meet the needs of the print handicapped. Mr Hall has received support from state and federal parliamentarians on all sides and several major organisations throughout Australia that assist people with disabilities have expressed their very strong support for his concept. Mr Hall recently met with the Australian Broadcasting Authority chairman, Professor David Flint, and this clearly reflects the interest the proposal is generating.

There are currently radio stations for the print handicapped in capital cities throughout Australia. These stations have been providing an excellent service but, unfortunately, the service does not extend further than the capital cities. That is what the Radio For All Australians project is all about—providing a radio service for the print handicapped throughout Australia. I must point out that the term ‘print handicapped’ covers a wide spectrum of Australians. It includes more than a million people who are blind or visually impaired, those suffering from brain damage or other diseases such as Parkinson’s disease and those who, for one reason or another, have not attained suitable reading skills or have some form of ingrained illiteracy. Some of the programs that are proposed by Radio For All Australians would be news reports, book readings, radio plays and educational items. It should be remembered that, while the station would be designed to cater for the print
handicapped, everyone would be able to listen to it just as metropolitan listeners can listen to radio stations for the print handicapped if they live in the capital cities.

My personal view on this—and I have discussed this with Mr Hall—is that I would like to see a melding of some of these services with a central control, if you like, that would put together the national items and put them on relay. In each area that had a radio station there could be a local unit that would read the local news, provide local information—things as basic as listing the funeral notices in the local paper. We take that for granted. We open up our capital city papers or our large provincial papers and say, ‘Oh, Fred or Marie has died’—something like that—‘I must get some flowers sent or I must put that in my diary for the day after tomorrow’—or whatever it might be. But for people who are visually impaired, that is a big ask.

If this idea of Mr Hall’s could be brought about by Commonwealth involvement at two levels, in two tiers—perhaps with a semi-professional government funded organisation providing the national services and with regional services, a mixture of some government subsidy and volunteers, which would be able to provide the local news in local towns—it would be really great for the visually impaired and for those who, with other disabilities, are limited from enjoying telecommunications and broadcast communications.

I would just like to touch briefly on another initiative in my electorate in Bundaberg. A group of volunteers have been putting together a talking newspaper on a weekly basis for more than 10 years. These volunteers record the week’s news stories from local newspapers on an audio tape which they distribute to 140 people in the Bundaberg and Childers districts at the southern end of my electorate. Most of the people to whom it is distributed are members of the Blind and Vision Impaired Friendship Club. The group has received a lot of positive feedback from this tape service. The committee is now looking to widen the concept to a monthly magazine type of tape called ‘Chatter’, which features information directly relevant to the visually impaired community, disability access issues and details on new products for the visually impaired. It is an excellent focus and it is something that deserves great support, both at community and government levels.

People with disabilities also need to have access to the Internet and this is one area where the government has been proactive. In October last year, the Minister for Communications, Information Technology and the Arts, Senator Alston, announced AccessAbility grants of $1.44 million to improve access to the Internet and online services for people with disabilities. The projects funded through this program are looking at a range of issues such as skills development, how videoconferencing can assist people with disabilities, and the use of e-commerce, which is of vital importance to people in that field.

Communications and transport accessibility remain two of the biggest concerns of people with disabilities. It is vital that we continue to support programs such as the National Relay Service and the other ones that I have referred to in this address. It is also vital that we support programs run by the community that encourage independence and the empowerment of people with disabilities through communication and information.

Mr Murphy (Lowe) (10.43 a.m.)—I stand here in this chamber this morning in support of the Telecommunications (Consumer Protection and Service Standards) Amendment Bill 1999. The bill will enable benefits for people with hearing disabilities. In particular, the bill makes minor significant amendments to the funding arrangements for the National Relay Service, the NRS. The NRS was established in 1995. It provides persons who are deaf or who have impaired hearing with access to a standard telephone service in circumstances that are comparable to the access enjoyed by other Australians to standard telephone services. The NRS provides for voice-to-text and text-to-voice translation. A staggering 2,000 accesses to
this service per day were recorded in 1999. There is no doubt of the value and demand for this service.

The NRS is provided for in part 3 of the Telecommunications (Consumer Protection and Service Standards) Act 1999. At present, the NRS is provided under a contract between the Commonwealth and Australian Communication Exchange Ltd, ACE, a community based, non-profit organisation. The NRS is funded by the imposition of a levy on telecommunications carriers. The levy is imposed in proportion to the carrier's share of the total telecommunications revenue. Under section 101 of the act, the levy is paid quarterly by carriers to the Australian Communications Authority, ACA.

The bill is required because the time frame for the collection of the NRS levies provided by the legislation has proved to be too restrictive. There is a conflict between the contractual timetable for payments by the Commonwealth to the provider and the legislated timetable for carriers to pay the levy to the ACA. The result has been that the Commonwealth has been repeatedly late in making its payments under the contract.

The proposed amendments will extend to time frames so as to ensure consistency between the Commonwealth’s contractual obligations and legislative requirements. As the member for Perth and the shadow minister for communications, Stephen Smith, said in this chamber a few moments ago, the proposed technical amendments will extend time frames so as to ensure consistency between the Commonwealth’s contractual obligations and legislative requirements.

I have received many representations in my electorate of Lowe from people with hearing disabilities. Whilst many Australians have recently experienced a telecommunications revolution, tens of thousands are yet to discover the benefits—in particular, the hearing impaired. I am mindful of the amendments to the Telecommunications Act 1996 and the grossly restrictive impact on those people with hearing disabilities, notably those who suffer technical conflicts between digital mobile telephones and hearing aids.

With over 1.2 million Australians having a hearing loss, according to the ABS statistics of 1991, and many more having a speech communication impairment, the National Relay Service is fast becoming an invaluable service to not only people with disabilities but also their family, friends, work associates and the many businesses they communicate with on a daily basis. Many small and large businesses as well as government departments such as the Australian Taxation Office have already gained the benefits of access available through the National Relay Service.

In that case, the code division multiple access telephone standard, a new digital mobile telephone network protocol, has not met with expectations that it would be a complete solution to replacing the analog mobile telephone network. As a result, many hearing aid users are still experiencing technical difficulties and, as a result, are effectively being denied access to the digital mobile telephone network after the 1 January 2000 cut-off date for the analog mobile telephone network.

I raise this point because it highlights an all too common trend in our drafting of legislation. Just as in the Olympic Games planning, those with disabilities are the ones in our community who are often forgotten. You will recall in the Olympic Games planning how the games programs and ticketing information were not initially produced in any immediate format relevant for those with disabilities. Such documentation was not initially produced in large type, audio or braille. Only after many threats and protestations did the organisers belatedly realise that the large numbers of Australians with a disability were being left out of participating in the games.
So too with the mobile telephone network. The elimination of the analog mobile telephone network was seen as a great technological leap—that is, for most Australians. Those wearing hearing aids were left out. They were just not considered part of the equation. This bill is good news but, again, how long has it taken for us to get around to it? As I said at the start of this speech, the NRS was introduced in 1995. We are now in the year 2000. It has taken us five years to see that the collection of the NRS levies is made within an adequate time frame.

There is an implied assertion in bills such as this with respect to those with disabilities that people with disabilities come second. In Australia we pride ourselves as a country of fairness to all, yet our conduct towards those with disabilities is such that they are the last to get any attention, the last to be considered. Our passing of legislation in this House is tantamount proof of this ethic. Surely this parliament is here to help those most disadvantaged.

And what ethic do I refer to? It is the ethic of utilitarianism. This ethic proclaims the greatest benefit to the greatest number of people. This ethic sounds good on the surface, but what of the marginalised in our community? What of those people who are the frail, the sick, those suffering disabilities? They are not the majority of Australians and therefore they are the very people who are repeatedly ignored, repeatedly passed over by even this legislature, as we either ignore their plight altogether or take an inordinately long period of time in making decisions which materially benefit their situations.

I have a significant number of constituents with disabilities of all kinds living in my electorate of Lowe. I am in regular communication with them. Their situation is a sad and worsening one, with concomitant policies of devolution in servicing their needs. All these policies—digitisation, devolution, privatisation and outright funding cutbacks—are taking their toll on all those with disabilities. They are the first to get the cuts, the first to be ignored in favour of the majority of Australians. Utilitarianism is neither egalitarian nor fair. Utilitarian ethics positively discriminate against the frail, the economically and physically weak and those who are politically less powerful than the majority. This means that those with disabilities usually lose at the expense of the majority of Australians who do not suffer such disabilities.

I have reviewed the main provisions of this bill. The provisions go to the administration changes necessary for that consistency between the Commonwealth’s contractual obligations and legislative requirements. I note the significant contribution NRS is making to many Australians in their daily lives. As Australia’s population distribution changes, an increasing number of people are realising that the use of the telephone is limited by their disability. Every day of the year the NRS allows people who are deaf or who have a speech or hearing impairment to access the telephone system anywhere in Australia. This service is operated by the Australian Communication Exchange Ltd under contract to the Commonwealth government. ACE is a dynamic, consumer led, not-for-profit, national community based organisation. ACE was formed in 1995 as a result of a merger between two Australian, well-known and established parent organisations, Deaflink and Deafness Resources Australia.

ACE’s mission is to facilitate communications services for people with hearing and speech disabilities. These people benefit through the provision of efficient access to telecommunications and efficient delivery of leading edge products and services. ACE has a philosophy of encouraging independence and empowerment through communication and information, and will continue to uphold this tradition.

People can contact the National Relay Service, which has two relay centres based in Brisbane and Melbourne, using their teletypewriter or computer modem to access anyone on the wider telephone network in Australia and overseas. Over 120 specially trained relay officers professionally relay conversations between two parties. Conversations can be relayed...
in a variety of ways, from text to voice, voice to text, or even using your own voice to
converse and then read back the return conversation on the screen. This is called VCO or
voice carry over. Of course, strict confidentiality of all calls is guaranteed. The average
number of calls the NRS relays has grown significantly, from 600 per day at its inception on
30 May 1995 to over 2,200 calls per day as of last year. This service is averaging about a two
per cent growth in demand per month, according to the 1997 annual report.

In concluding, I urge this parliament to support the bill. I can see that there is support on
both sides of the chamber. I further urge our policy advisers and ministers in all their policy
determinations to consider the impact the bill will have on the daily lives of peoples with
disabilities. The reason we are debating this bill at all is that the policy implications of the
original legislation were not thoroughly thought through. As a result, those people with a
disability are the ones to be most immediately affected, adversely impacted, and the last to
receive any respite. I commend the bill to the House.

Mr BAIRD (Cook) (10.55 a.m.)—It is my pleasure to speak in support of the
Telecommunications (Consumer Protection and Service Standards) Amendment Bill 1999,
which is basically a machinery bill. I have listened with some interest to the member for Lowe
and I have to say it was a very long bow that he was drawing in relation to the bill’s impact on
those with disabilities. This is simply a machinery bill. It is bringing into line the contractual
timetable for payments by the Commonwealth to providers, and a legislated timetable for
carriers to provide the levy to the ACA. It is nothing more, nothing less. There is no
indication that either the ACE, the organisation which provides the service, the organisation
that has the contract with the NRS to provide the service, or the NRS is disadvantaged by it. It
is simply bringing into line the whole requirement. In fact, one could ask whether this could
be done in terms of regulation rather than legislation. It seems to me a bit unnecessary for a
machinery bill of this type to have to come through the parliament, but here we are. It is
brining the reality together.

There are 1.2 million Australians who suffer from partial or total hearing loss, and many on
top of that have speech or communication disabilities. These are the people who rely on the
National Relay Service to provide them with a level of access to standard telecommunications
services that is comparable to that of other Australians, something that is especially relevant
given the current information and telecommunications revolution.

At present, the NRS provider under contract with the Commonwealth is the Australian
Consumer Exchange, the ACE, a community based organisation whose board of 11 must
consist of at least six people who have a hearing or speech impairment. As well as this,
around half the non-relay staff in ACE have a hearing or speech impairment, or are totally
deaf. It is interesting that they have encouraged such people onto their board rather than
people who have no direct relevance to them or understanding of the situation confronting
those who are hearing impaired. They want to ensure that they have the staff, and people on
the board, who have that experience. So the ACE has empathy with and relevance to their
clients. Of course, the quality of service provided by ACE, a ‘five tick’ Quality Endorsed
Company label, shows that it is a well-regarded product. When it was established 4½ years
ago, the NRS was handling around 600 calls per day and employed 52 people. On average
today it is handling 2,200 calls per day, and the average monthly growth is in excess of two
per cent. That means that in all likelihood the staff base of around 200 people will also
continue to increase.

The growing importance of this service to those members of our community with hearing
or speech impairments, their families, friends and acquaintances, is quite clear. The National
Relay Service affords people living with these disabilities easier access to things most of us
take for granted, from ordering a pizza to just maintaining contact with friends and relations. The service they provide is fairly significant. These services are funded through a levy paid quarterly to the Australian Communications Authority by the relevant telecommunications carriers. Procedural difficulties arising from the timetable set by the original legislation have meant the Commonwealth is out of sync in terms of the requirement of the original bill. The bill we are discussing today extends the time frames and opens the way for the Commonwealth to meet its obligations, so ensuring the continued growth and success of the NRS.

This amendment is a matter of good housekeeping. It is ensuring that the Commonwealth is better equipped to maintain its side of its contract with the NRS provider. The carriers will continue to be required to fund the operation of the NRS in proportion to their share of the total telecommunications carrier revenue. I think it is important that that obligation continue. It is going to have no financial impact on the Commonwealth expenditure or on the revenue.

The amendment is the result of the government meeting with the NRS provider in order to reach the best possible solution to the operational problems of the original legislation and the payments always being late. It is about maintaining an excellent service for those Australians with disabilities and showing the government’s real and genuine concern for those with hearing loss or a speech impediment. It is in keeping with the government’s broader policy of supporting people living with disabilities and offering them access to basic service that is comparable to that offered to other Australians.

The Prime Minister recently said that our vision is for a strong and fair society that fosters economic prosperity and independence. It is also a compassionate and mutually supportive society, and I think we would all agree with those sentiments. It is about support for those people with disabilities and all those disadvantaged in our community. This is what Australia is about—being a fair society. It is about looking after those with disabilities. We are genuinely sorry about their impairment and we, as a community, need to do something about it. This is a machinery bill but it also reflects the concern of the government for those with disabilities.

Mr McARTHUR (Corangamite) (11.01 a.m.)—I am pleased to participate in this debate on the Telecommunications (Consumer Protection and Service Standards) Amendment Bill 1999 on the grounds that it provides support for people with hearing disabilities. Those who are reaching the older age group fully understand this difficulty, and this legislation ensures that those disadvantaged members of our community will be able to use the new technical aids of the 21st century to assist them in better communication.

The National Relay Service is part of this approach of helping those with hearing impediments. It was established in 1995 and I acknowledge that the previous government, in a bipartisan way, established this service and that the current government are improving upon that set of arrangements so that those who have impaired hearing will get better access to the standard telephone services, as other members have said. It will give comparable access to all Australians across the board. The National Relay Service will provide contact between the Commonwealth and the Australian Communications Exchange Ltd, which is a non-profit organisation.

The National Relay Service is funded by a levy on telecommunications carriers, which is the fundamental base of this operation. It is funded in the same way as the universal service obligation is funded. Again, we have an interesting debate here about the extent of the universal service obligation. In this particular area, in the area of Australia Post which I personally have spent time looking at and, of course, in the administration of Telstra, the universal service obligation to those disadvantaged people in rural Australia is a matter of
some debate. How much should be paid? How many of those profitable services should be allocated to ensuring that members of our community receive similar and compatible services? So I support the concept in this particular area of looking after people with speech and hearing impediments.

A levy is imposed on a proportion of the carrier’s share of the total communications revenue, and the levy is paid quarterly. It is paid to the Australian Communications Authority under the act, and relayed to ACE. The Australian Communications Exchange administers these sets of arrangements and was the successful tenderer for the National Relay Service. It is not a for-profit organisation; it is a community based organisation helping people to find jobs, operate business, and maintain social contact for those using the service.

The service itself involves telephone typewriting and text based services which are now assisting people who cannot hear too well. This is of great assistance in the 20th century with modems, screens and text-to-voice operators. They provide an around-the-clock service. We see the use of modern technology as being able to help disadvantaged members of our community. We have 138 agents to facilitate these calls and over 25,000 Australians suffering these disabilities are serviced by this organisation. Interestingly enough, we have 2½ thousand calls per day. Those are used through this service to help these people. I think it very commendable that governments have been able to organise that outcome.

ACE have a very strong confidentiality component in their operation. They provide this voice-to-text service in reverse, a voice carryover operation, a hearing carryover proposition and an emergency service in text and speech relay trial, so this service is trying to overcome different problems that individual Australians have. For instance, you have idiosyncratic speech interpreted for the recipient of the phone call by an interpreter. The words can be carefully established. Another example is that spoken conversation is typed through to the recipient of the call in text. This demonstrates the ability of modern technology to help disadvantaged Australians. The calls to local areas are at fixed charges. That is a very helpful situation. There has been a lot of argument in rural Australia about long-distance calls and the cost involved in that. The timed calls receive a 30 per cent discount in recognition that people using this technology will spend a long time on the phone because of the added complexity in making a call.

The use of this service will assist people in holding down a job because they can then use the phone in the same capacity as normal people who have normal hearing abilities. It boosts people’s employability as they could be discriminated against because of deafness problems. Under this service they will be able to participate as every other normal Australian does. The ACE Chief Executive, Mr Len Blytheway, was quoted in the Australian of 18 January this year as saying that the service:

... had moved our consumers out of a technological ghetto and connected them to the rest of the world.

It is a commendable initiative that ensures that people who might have remained closeted away from the mainstream of Australian life now feel confident that they can communicate with their fellow Australians.

The Australian Communications Authority has the job of monitoring ACE’s performance. The monitoring is boosted by the committee representing deaf and hearing impaired people. If these services are not up to standard, there is somebody having a good look at that and reporting back to government. They are called the National Relay Service Consultative Committee. The communications authority held a public forum in March last year to discuss the issues and raise awareness of the service. The issues raised were: access to emergency services, video relay interpreting, and making speech-to-speech relay services available on a full-time basis.
The question really before the parliament is: why is this bill needed? It would appear that this service is working reasonably well. The situation, as I understand it, is that the Commonwealth has been paying the proceeds of the levy to the relay service providers at a different time from when the levy was collected from the carriers, so the Commonwealth has been late in making its payments under the contract. The legislation addresses this problem. It allows the minister to get a statement each quarter about the costs, and the statement is currently provided 30 days after the levy in each quarter. This amendment ensures that the operation of this service will be provided in a more efficient and commercial manner. Once the levy has been determined, the NRS provide to give the minister an estimate of the cost to provide the service. I guess the argument about the service obligation will come up for some discussion before this and future governments. If there is any surplus, levy or shortfall from the previous quarter, it will show up in the estimate.

It really allows the Australian Communications Authority to process the monies received and make the financial transfers before the contractual date. I commend the legislation. It is assisting those people in rural Australia and in urban situations who have hearing impairment. It is a classic example of governments working in a quiet, effective way to ensure that those people are being looked after. It ensures that the service will be better provided and that there will be some further surveillance of and discussion about how the service will be better provided in the future. I commend the bill and the people associated with helping to provide this important change in technology. Often some of the unsung heroes in our Australian community are those who provide better lives for somewhat disadvantaged people.

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation)
(11.10 a.m.)—in reply—I have the task of concluding the debate on this important matter; it is particularly important for the people who are affected. The Telecommunications (Consumer Protection and Service Standards) Amendment Bill 1999 provides people who are deaf or speech impaired with access to a standard telephone service on terms and in circumstances that are comparable to those on which other Australians have access to a standard telephone service. It is indeed in one sense a mechanical bill but it is a very important piece of public policy, because the people it attempts to assist are much disadvantaged under existing arrangements. Interestingly, the access to the standard telephone service for hearing impaired people will be funded quarterly through a levy imposed on telecommunications carriers and it will be collected by the Australian Communications Authority for payment to the NRS provider. The bill makes some minor administrative changes to the legislative timing for the collection and payment of the NRS levy to the NRS provider.

I wish to thank the members who have contributed to the debate: from the government side, the members for Hinkler, Cook and Corangamite, and from the opposition, the member for Lowe. Nobody opposed the bill before the chamber. Speakers supported it enthusiastically but took the opportunity to raise various issues on telecommunications at large. I will not go through each and every one of those contributions except to say that members had interesting, and at times very valid, points to make which the government will note from the Hansard and consider where possible, particularly the issue—which a number of members came back to time and time again—of access to telecommunications for all Australians, no matter where they may live or under what circumstances. I commend the bill to the chamber.

Question resolved in the affirmative.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

Main Committee adjourned at 11.14 a.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Department of the Environment and Heritage: Grants to the National Farmers Federation**

(Question No. 650)

Mr Martin Ferguson asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 1 June 1999:

(1) Has the Minister or a department or agency administered by the Minister provided grants to the National Farmers’ Federation (NFF) or bodies related to the NFF since 2 March 1996; if so, (a) in each case, (i) what was the nature of the grant and (ii) for what purpose was it provided and (b) what total sum was provided.

(2) To what boards, committees or other bodies for which the Minister has portfolio responsibility have (a) Mr Donald McGauchie (b) Dr Wendy Craik or (c) other officers or staff of the NFF been appointed since 2 March 1996.

(3) What sums has the Commonwealth paid in (a) sitting fees, (b) board fees, (c) travel costs and (d) related expenses with respect to each appointment referred to in part (2).

Mr Vaile—The Minister representing the Minister for the Environment and Heritage has provided the following answer to the honourable member’s question:

(1) No.

(2) (a) None.

(b) The Ministerial Advisory Group on Oceans Policy. The body ceased to function with the release of Australia’s Oceans Policy in December 1998.

(c) An officer of the NFF has served on the Great Barrier Reef Consultative Committee.

(3) (a) $1,715.80

(b) None

(c) $285.65

(d) None.


(Question No. 690)

Mr McClelland asked the Attorney-General, upon notice, on 7 June 1999:

Is action being taken to commemorate the 10th anniversary of the signing of the UN Convention on the Rights of the Child; if so, what action.

Mr Williams—The answer to the honourable member’s question is as follows:

The tenth anniversary of the adoption of the United Nations Convention on the Rights of the Child fell on 20 November 1999. The Convention was adopted unanimously by the General Assembly of the United Nations on 20 November 1989 and it was ratified by Australia in December 1990. Since then it has achieved almost universal ratification, with 191 countries now party to the Convention.

The Convention has played a significant role in raising awareness of children’s rights and in acting as a catalyst for change where necessary. Australia remains committed to the promotion and protection of the human rights of children in Australia and elsewhere.

The Government recognises that the family is the primary body responsible for the growth and development of children, and is committed to supporting families in their responsibilities towards children.

Australia is an active participant in the process of negotiating two optional protocols to the Convention.

We have been a strong supporter of the development of an Optional Protocol to the Convention on the sale of children, child prostitution and child pornography. Our work in this area is further demonstrated in the enactment of the Crimes (Child Sex Tourism) Amendment Act 1994 and the Criminal Code Amendment (Slavery and Sexual Servitude) Act 1999.
Australia also strongly supports the development of an Optional Protocol on the involvement of children in armed conflict.

On 19 November 1999 I issued a press release commemorating the anniversary and reaffirming Australia’s commitment to the principles and values espoused in the Convention.

**Department of the Environment and Heritage: Library Service**

**Question No. 746**

Mrs Crosio asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 21 June 1999:

Does the Minister’s Department operate a library or libraries; if so (a) what sum was spent on purchasing new books for departmental libraries in (i) 1996-97, (ii) 1997-98 and (iii) 1998-99 and (b) will the Minister provide a list of the title and author of each book purchased by departmental libraries in 1998-99?

Mr Truss—The Minister representing the Minister for the Environment and Heritage has provided the following answer to the honourable member’s question:

Yes.

(a) (i) 1996/97 - $101,193; (ii) 1997/98 - $95,920; (iii)1998/99 - $73,468

(b) Following is a list of the title and author of each book purchased by departmental libraries in 1998-99:

- General Environmental and Corporate Management Publications
  - 360 degree feedback: the powerful new model for employee assessment and performance improvement/Edwards, M
  - A bush calendar/Mack, Amy Eleanor
  - A colour atlas of plant propagation & conservation/Bowles, B
  - A concise history of Australia/Macintyre, Stuart
  - A dictionary of ecology, evolution and systematics/Lincoln, R
  - A draft glossary of terms used in bionomenclature/Hawksworth, D L.
  - A free-flowing river: the ecology of the Paroo River/Kingsford, Richard
  - A future for our past? an introduction to heritage studies/Brisbane, Mark
  - A guide to finding quality information on the Internet/Cooke, A.
  - A history of the Australian environment movement/Hutton, Drew
  - A long journey: Duntroon, Mugga Mugga and three careers/Curley, Sylvia
  - A management program for cycads in the Northern Territory of Australia/A management program for Psychosperma bleeseri Burret in the Northern Territory of Australia/Parks and Wildlife Commission of the NT
  - A revised handbook to the Flora of Ceylon/Dassanayake, M D.
  - A windy morn of Matlock/Anne Bailey
  - A world checklist of birds/Monroe, B
  - Aboriginal health: social and cultural transitions/Robinson, Gary.
  - Access database design and programming/Roman, Steven
  - Access to heritage: user charges in museums, art galleries and national parks/Senate Environment, Recreation, Communications and the Arts.
  - Acid soils in Australia: the issues for government/Evans, G
  - Acid sulphate soil manual/Acid Sulfate Soil Management Advisory Committee.
  - ACT weeds strategy/Environment ACT.
  - Action plan for the conservation of bats in the United Kingdom/Hutson,A.
  - Addressing priorities in indigenous affairs/Herron, John
  - Ainsworth & Bisby's dictionary of the fungi/Hawksworth, D L
Albatross biology and conservation/Robertson, G
ALED 4 : Australian libraries : the essential directory/Bundy, Alan L
Alps invaders : weeds of the Australian high country/Hosking, J
Amalie Dietrich (1821-1891) : German biologist in Australia/Luttge, Ulrich.
Ambient air quality : national environment protection measure for ambient air quality/National Environmental Protection Council.
Ambient air quality : revised impact statement for the ambient air quality national environmental protection measure/National Environmental Protection Council
An illustrated guide to common weeds of New Zealand/Roy, B.
An introduction to topographic maps/Lewis, Gary Bruce.
An introduction to tropical rain forests/Whitmore, T C (Timothy Charles)
Anglo-American cataloguing rules./Joint Steering Committee for Revision of AACR
Antarctic environmental protection: a collection of Australian and international instruments/Rothwell, Donald
Applying the precautionary principle/Deville, Adrian.
Aquatic and wetland plants : a field guide for non-tropical Australia/Romanowski, Nick
Archaeology of rock art/Cippindale, Christopher
As a matter of fact/Aboriginal and Torres Strait Islander Commission.
Asia initiatives directory/Harman, David.
Assessing biodiversity status and sustainability/Jenkins, Martin D.
Atmospheric chemistry and physics/Seinfield, J
Australia’s Open Garden Scheme guidebook/Australian Broadcasting Corporation. Australia’s Open Garden Scheme/Australian Broadcasting Corporation.
Australia’s state of the forests report 1998/Bureau of Rural Sciences.
Australian almanac 1999
Australian ants: their biology and identification/Shattuck, S.
Australian bats/Churchill, Sue.
Australian bushfood plants : an educator’s resource/Joyce, K
Australian code of practice for the care and use of animals for scientific purposes/National Health and Medical Research Council
Australian commodity statistics 1997/ABARE.
Australian commodity statistics 1998/ABARE.
Australian education directory/Australian Council for Educational Research.
Australian freshwater life/Williams, W.
Australian freshwater turtles/Cann, John.
Australian master tax guide/CCH.
Australian plants for the garden/Elliot, Gwen.
Australian timbers volume one: commercial timber species of eastern subtropical Australia/Sewell, A
Becoming a successful intrapreneur/Pantry, S.
Behavior of marine animals : current perspectives in research. V.3/Winn, Howard
Beyond architecture : Marion Mahony and Walter Burley Griffin : American, Australia, India/Watson, A
Biodiversity : exploring values and priorities in conservation/Perlman, D
Biodiversity II: understanding and protecting our biological resources/Reaka-Kudla, Majorie L.
Biological control of scarabs causing Eucalyptus dieback/Campbell, A
Biological control of weeds/Julien, Mic.
Birds of particular conservation concern in the western division of New South Wales/Smith, P.
Bivalves of Australia v. 2/Lamprell, K
Border Ranges National Park/Brown, Jamie.
Britain: an official handbook/Central Office of Information.
Bugs in your backyard/Main, B.
Building for nature: Walter Burley Griffin and Castlecrag/Walker, Meredith.
Burning questions: emerging environmental issues for indigenous peoples in northern Australia/Langton, M.
Bushfood plants for cold climates/Carey, M
C programming language ANSI C/Kernigham, Brian
Cambridge dictionary of statistics/Everitt, Brian
Cambridge factfinder/Crystal, David
Canberra’s historic houses: dwellings and ruins of the 19th century/Barrow, Graeme.
Carbon dioxide and plant responses/Murray, David R
Carcasson’s African butterflies/Ackery, P
Caring for our future: action for Europe’s environment: 25 issues at a glance/Directorate-General XI for Environment, Nuclear Safety and Civil Protection
Carnivorous plants of Australia./Lowrie, A.
Casarett & Doull’s Toxicology companion handbook/Klassen, K
Catchment recharge modelling/Hatton, T
Catchment to coast: a Tasmanian catchment management handbook/Thorpe, V.
Celebrating the parks: proceedings of the first Australian symposium on parks history/Hamilton-Smith, Elery.
Chatting with Centralians/Shirley Brown
Checklist of plants in the Fitzgerald River National Park/Newbey, Ken R.
Chemistry in the marketplace/Selinger, Ben.
Chemistry: structure and dynamics/Spencer, J
CITES orchid checklist. Volume 2/Roberts, J.
Climate, biodiversity and forests: issues and opportunities emerging from the Kyoto Protocol/Brown, P.
Climate change and human health/McMichael, A
Coastal planning and management/Kay, R.
Coastal stabilization/Silvester, R
Collaborative ecological research with Aboriginal people/Carter, J L
Colour guide to invertebrates of Australian inland waters/Hawking, John H
Combined keys to Genera of Ascomycetes, volumes I &II/Hanlin, Richard T.
Coming to terms: Aboriginal resource rights in contemporary Australia/Magennis, Leah
Common names of plants in New Zealand/Nicol, E R
Common weeds of Northern NSW rainforest: a practical manual on their identification and control/Big Scrub Rainforest Landcare Group

Commons in a cold climate: coastal fisheries and reindeer pastoralism in north Norway/Jentoft, S.

Commonwealth Government directory.

Commonwealth of Australia administrative arrangements.

Community biodiversity survey manual/Carlton, C

Comparative dosimetry of radon in homes and mines/Panel on Dosimetric Assumptions Affecting the Application of Radon Risk Estimates

Complete book of Australian mammals/Strahan, R.

Compliance programs/Standards Association of Australia.

Computer software and copyright/Australian Copyright Council.

Concise guide to environmental definitions, conversions & formulae/Finucane, E

Conservation and management of whales/Allen, K.

Conservation areas: guidelines for managing change in heritage/Heritage Office

Conservation biology for the Australian environment/Burgman, M A.

Conservation practices for slide collectors: an easy to understand "How to" book/Sundt, Christine.

Conservation science and action/Sutherland, W.

Conservation through cultural survival: indigenous peoples and protected areas/Stevens, Stan

Continent of extremes: recording Australia’s natural phenomena/Read, I

Cooinbil: recollections and restoration/Hill, Harry.

Coral reef ascidians of New Caledonia/Monniot, C.

Corporate community relations: the principle of the neighbour of choice/Burke, E

Corporate liability for pollution/Gerry Bates

Corroboree frog: a vulnerable species/Environment ACT.

Crop weeds/Wilding, J L

Cryptogams in the phyllosphere: systematics, distribution, ecology and use/Farkas, E

CSIRO handbook of economic plants of Australia/Lazarides, M.

CSIRO list of Australian vertebrates: a reference with conservation status/Stanger, M.

Current names for wild plants in New Zealand/Parsons, M

Dealing with alcohol, indigenous alcohol use in Australia, New Zealand, and Canada/Saggers, Sherry

Defective bosses: working for the dysfunctional dozen/Carson, K

Defending the little desert: the rise of ecological consciousness in Australia/Robin, Libby.

Dendrobium Imperatrix/Moon, Henry.

Dendrobium phalaenopsis var./Moon, Henry

Descriptive notes on Papuan plants v. 1 & 2/Meuller, F

Design guidelines: stormwater pollution control ponds and wetlands/Lawrence, I

Developing management plans for Aboriginal-owned pastoral properties in the Northern Territory/Dodd, L.

Dictionary of botanical names: Australian plant names/Perrin, Don.

Dictionary of environmentally important chemicals/Ayres, A J.


Die Orchideen: ihre Beschreibung, Kultur, und Zuchtung/Breiger, F.

Diplomatic list and list of representatives of international organisations/Dept of Foreign Affairs and Trade.

Wednesday, 16 February 2000

Early education and schools in the Canberra region/Gillespie, Lyall L.
Earth summit II : the outcome/Osborn, Derek.
Eastern lined earless dragon : an endangered species/Environment Australia.
Ecologically sustainable development : indicators and decision processes/Houghton, Neil
Economic native trees and shrubs for South Australia/Bonney, Neville.
Economics of landscape and wildlife conservation/Dabbert, S
Ecosystem health/Rapport, David.
Ecotourism : a practical guide for rural communities/Beeton, S.
Ecotoxicology : ecological dimensions/Baid, D
Edible and poisonous mushrooms : an introduction/Hall, Ian.
Edible wattle seeds of southern Australia/Maslin, Bruce
Eighth Australasian bat conference/Australasian Bat Society.
Electromagnetic induction techniques/Cook, P
Encyclopedia of Australian plants suitable for cultivation v. 7/Jones, D.
Encyclopaedia of Australian plants suitable for cultivation v. 6/Jones, D
Environmental chemistry of aluminium/Spostio, G
Environmental decision-making : the roles of scientists, engineers and the public/Harding, Ronnie.
Environmental engineering dictionary/Lee, C.
Environmental issues : people’s views and practices/Australian Bureau of Statistics.
Environmental law and policy in Australia/Ramsay, R.
Environmental management : life cycle assessment/Standards Association of NZ
Environmental research ethics/Australian Science, Technology and Engineering Council.
Environmental toxicology and chemistry/Crosby, D
Everyday evaluation on the run/Wadsworth, Y.
Excel 97 bible/Walkebach, John.
Explore the Australian Alps : touring guide to the Australian Alps national parks/Australian Alps Liaison Committee.
Fair dealing in the digital age/Australian Copyright Council
Farm surveys report 1995/ABARE.
Financial planning for APS staff/Mansfield, G
Fire on the savannas : voices from the landscape/Jacklyn, Peter
Fish ecotoxicology/Braunbeck, T
Flora Neotropica no. 69 Caliciaces/Tibell, L.
Flora of Australia. vol. 1. 2nd ed/Bureau of Flora and Fauna.
Flora of Australia. Volume 48, Ferns, gymnosperms and allied groups/CSIRO.
Flora of tropical East Africa/Polhill, R M.
Flora Zambesiaca. Vol. 5, part 2
Flore de la Nouvelle Caledonie et dependances.
Flore de Madagascar et des comores.
Flowers of the south coast and ranges of New South Wales : a field guide/Wood, Betty
Forest friendly building timbers/Gray, Alan T.
From land despair to landcare/Lubczenko, V
From roads to rivers : gross pollutant removal from urban waterways/Allison, R
From words to action/Humane Society International.
Frontiers in ecology : building the links/Lunt, I
Fumigating postharvested wildflowers for export/Williams, P
Future makers, future takers : life in Australia 2050/Cocks,K D.
Gardener’s companion to weeds/Ermert, Suzanne.
Gardens in South Australia 1840 - 1940: guidelines for design and conservation/Corporation of the City of Adelaide.
Getting real : the business of sustainable development/Sheldon, Christopher.
Ginninderra : forerunner to Canberra/Gillespie, Lyall L.
Global trends : fisheries management/Pikitch, E
Goal attainment scaling : applications, theory and measurement/Kiresuk, Thomas
Going digital : legal issues for electronic commerce, multimedia and the Internet/Fitzgerald, Anne.
Going to the mechanics : a history of Launceston’s Mechanics Institute/Petrow, Stephan.
Grasses : a guide to their structure, identification, uses and distribution in The British Isles/Hubbard, C.
Grassland flora : a field guide for the Southern Tablelands (NSW & ACT)/Eddy, D
Grassland plants of south-eastern Australia : a field guide to native grassland/Marriott, Neil
Green Australia : mapping the market/Said, D.
Greenhouse gas mitigation : technologies for activities jointly implemented/Riemer, P.
Greenland lichens/Hansen, E S
Gregory’s 4WD survival guide : driving skills, troubleshooting and vehicle maintenance/Basham, John
Grog war/Wright, Alexis
Groundwater chemical methods for recharge studies/Cook, P
Groundwater processes and modelling/Armstrong, D
Growing broombrush/Bulman, P.
Guardians of Marovo Lagoon : practice, place, and politics in maritime Melanesia/Hviding, Edvard.
Guidance document for the development of OECD guidelines for testing of chemical/Organisation for Economic Co-operation and Development
Guide des etoiles de mer, oursins et autres echinodermes du lagon de Nouvelle Caledonie/Guille, A.
Guide to the botanical records and papers in the archives of the Hunt Institute/Stieber, Michael T.
Guide to the wildflowers of south Western Australia/McQuoid, Nathan.
Guide to wetland invertebrates of southwestern Australia/Davis, J
Guwanyi: story of the Redfern Aboriginal Community/Historic Houses Trust of NSW.
Handbook of Australian, New Zealand and Antarctic birds./Marchant, S
Handbook of marine mammals : River dolphins and the larger toothed whales/Harrison, R
Harmful non-indigenous species in the United States/Office of TechnologyAssessment.
Harvard business review on managing people.
Hawley’s condensed chemical dictionary/Lewis, Richard J.
Henderson’s dictionary of biological terms/Lawrence, Eleanor.
Historic shipwrecks: discovered, protected & investigated/Fenwick, V.
Horticulture as therapy: principles and practice/Sharon P. Simpson
How the hotel and tourism industry can protect the ozone layer/UNEP
How to evaluate and create web page quality/Alexander, Janet
How to know Western Australian wildflowers: a key to the flora of the extratropical regions of Western Australia/Grieve, Brian John
How to write a consultancy brief and select the right consultant/Tonge, Rob.
How to write to selection criteria: improving your chances of being shortlisted/Villiers, Ann D.
How trees affect soils/Noble, A.
Human and ecological risk assessment v. 2/Standards Association of Australia
Hydrolysis of cations/Baes, C
Iconography of candolleaceous plants/von Mueller, F.
Illustrated genera of Ascomycetes, volume II/Hanlin, Richard T.
Impediments to managing environmental water provisions/Allan, J.
Indigenous gardening: growing local native plants/Eustace, R.
Indigenous intellectual property/Australian Copyright Council
Indonesia’s technological challenge/Hill, H.
Intellectual property and Aboriginal environmental knowledge/Williams, N
Interrelationships between insects and plants/Jolivet, Pierre.
International trading in greenhouse gas emissions: some fundamental principles/Hinchy, M.
Into statistics: a guide to understanding statistical concepts in engineering and sciences/Smith, P
Introduction to environmental impact assessment/Glasson, J
Introduction to vocabularies: enhancing access to cultural heritage information/Lanzi, Elisa.
Invertebrate zoology/Anderson, D T
IUCN guidelines for re-introductions/IUCN/SSC Re-introduction Specialist Group.
IUCN red list of threatened plants/Walter, K
Jabiru and the Aborigines of the Kakadu region/Kestervan, S
Job feedback/London, Manuel
Keeping and breeding finches and seed-eaters/Kingston, R
Laboratory design and construction – general requirements/Standards Association of Australia
Landcare: promoting improved land management practices on Australian farms/Mues, Colin.
Last stand: protected areas and the defense of tropical biodiversity/Kramer, R
Law and cultural heritage/Chanock, Martin
Learning PERL/Schwartz, R
Libraries (non-profit) and copyright/Australian Copyright Council
Library of Congress subject headings/Library of Congress.
Lichen studies: dedicated to Rolf Santesson/Tibell, L
Life in the soil/Gupta, V
Life out of bounds: bioinvasion in a borderless world/Chris Bright
Liverpool local environmental plan 1995/Liverpool Council.
Living with eastern grey kangaroos in the ACT: rural lands/ACT Kangaroo Advisory Committee.
Living with radiation/National Radiological Protection Board
Maintaining healthy shrubs and trees/John Mulholland
Management manual for marine mammals in NSW/Smith, Peter
Managing & growing trees/Grodecki, A.
Managing waterways on farms/Brouwer, D
Manual for assessment of soil condition of tropical grasslands/Tongway, D
Marine mammals and pollutants: an annotated bibliography/Aguilar, A
Marine protected areas and ocean conservation/Agardy, Tundi.
Marine turtle conservation and management in northern Australia/Kennett, R
Megadiversity: earth’s biologically wealthiest nations/Miyermeier, R.
Merck manual of medical information: home edition/Berkow, R
Metal complexes in aqueous solutions/Martell, A
Method performance studies for speciation analysis/Quevaullier, P
Methyl tert-butyl ether (MTBE): health risk characterisation/European Centre for Ecotoxicology and Toxicology of Chemicals.
Microsoft outlook email & fax guide/Mosher
Misused statistics/Jaffe, A
Modern matters: principles and practice in conserving recent architecture/S. Macdonald
More crop weeds/Moerkerk, M R
MS/exchange server training MCSE.
Museum strategy and marketing/Kotler, N.
1998 copyright amendments/Australian Copyright Council
Narrative of an expedition undertaken under the direction of the late Mr Assistant Surveyor EB Kennedy/Carron, William
National framework for environmental and health impact assessment/National Health and Medical Research Council.
National parks: new visions for a new Century/Prineas, P
National parks: private sector’s role/Charters, Anthony Ian
National Pollutant Inventory: national environment protection measure for the National Pollutant Inventory: memorandum of understanding/National Environment Protection Council.
National wetlands R&D Program: scoping review/Bunn, S.
Native plants of Queensland: volume 4/Williams, Keith A W.
Native trees and shrubs of south-eastern Australia/Costermans, Leon.
Natural temperate grassland: an endangered ecological community/Environment Australia.
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9th Symposium on Global Change Studies
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Mr Martin Ferguson asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 24 August 1999:

(1) Further to his answer to question No. 607 (Hansard, 9 August 1999, page 6323) concerning the Regional Assistance Program (RAP), what guidelines were used to select RAP projects prior to 12 May 1999.

(2) Has his Department finalised the New National Policy Framework and the guidelines for RAP; if so (a) what are they and (b) have they applied to the selection of RAP projects since 12 May 1999.

(3) Has his Department finalised the development of a formal mechanism to evaluate the impact of RAP projects; if so, (a) who was engaged to develop the mechanism, (b) what was the cost of developing the guidelines and (c) what is the basis of the evaluation tool.

Mr Reith—The answer to the honourable member’s question is as follows:

(1) A copy of the Guide to Applicants for RAP projects used prior to 12 May 1999 is enclosed for the member (a copy is also held in the House of Representatives Table Office). In addition, other factors such as unemployment rates, population rates and the presence of disadvantaged groups were also taken into account.

(2) Yes.

(a) a copy of the new Guidelines for RAP is enclosed for the member (a copy is also held in the House of Representatives Table Office).

(b) the guidelines apply to all projects developed for consideration in September 1999, the first round of the new quarterly approval process which commenced on 1 July 1999.

(3) No. My Department advises me that the evaluation mechanism for RAP projects is currently being finalised. The process was put on hold pending finalisation of the new RAP guidelines. However, in relation to (a) and (b) the Department engaged a consultant, the Ampersand Group Pty Ltd, to conduct consultations with Area Consultative Committees (ACCs), initially on ACC performance matters and subsequently RAP projects to provide, amongst other things, base data and advice on the
design of RAP case studies and evaluation mechanisms. The total amount paid for the consultancy was $124,960.

(c) The basis against which the evaluation mechanism will operate are the new RAP guidelines

**Airservices Australia: Lost Equipment**

*(Question No. 893)*

Ms Gillard asked the Minister for Transport and Regional Services, upon notice, on 30 August 1999:

1. Were laptop computers owned by Airservices Australia lost or stolen at the Mangalore Airshow or at any other time or place.
2. Did any laptop computer contain the names, addresses and credit card details of subscribers to Airservices Australia products; if so, how many (a) subscriber names and (b) credit card numbers were saved within the computer.
3. Was the loss or theft reported to (a) police and (b) the Privacy Commissioner; if so, (c) when and (d) what was the result of any investigation.
4. Were the subscribers whose records were contained in the laptop computers notified that persons not authorised by Airservices Australia could be accessing their details.

Mr Anderson—The answer to the honourable member’s question is as follows:

Airservices Australia advise:

1. In early 1998 two laptop computers were reported as having disappeared from the Publications Centre in Melbourne.
2. Yes. However the information contained in the computers was security protected and cannot be accessed without knowledge of the required passwords and computer account names. Airservices also received separate IT security advise and the client data was considered to be secure at the time of the loss of the laptops.
   (a) 187,132
   (b) 7,853
3. (a) Yes – the loss of the laptops was reported to the Victorian Police.
   (b) Yes – and the report of the Airservices enquiry has been forwarded to the Privacy Commissioner.
   (c) July 1999.
4. Airservices is continuing to assist the Victorian Police with their enquiries. The Privacy Commissioner’s Office has advised that they have reviewed the report and are satisfied that all reasonable steps had been taken to protect the data on the laptops as required by the Information Privacy Principal No 4. (IPP4).
5. No – a small proportion of the clients records on the laptops included a credit card number but not the expiry date. Airservices, having regard to the result of the enquiry, does not propose to write to the individual clients concerned.

**Civil Marriage Celebrants**

*(Question No. 904)*

Ms Hall asked the Attorney-General, upon notice, on 2 August 1999:

1. Did the Standing Committee on Legal and Constitutional Affairs’ inquiry into strategies to strengthen marriage and relationships in 1998 recommend the improvement of processes for the appointment and professional development of authorised civil marriage celebrants as a useful adjunct to the success of the Government's marriage education proposals.
2. Was a draft proposal for the appointment, accreditation and professional development of authorised civil marriage celebrants submitted to his department in 1997.
3. Has his attention been drawn to the matters referred to in parts (1) and (2); if not, will he investigate.

Mr Williams—The answer to the honourable member’s question is as follows:
(1) Recommendations 23 and 24 of “To Have and To Hold”, the report of the Standing Committee on Legal and Constitutional Affairs Inquiry into Strategies to Strengthen Marriage and Relationships refer to the training of marriage celebrants as follows:

Recommendation 23: As part of that program, the Committee recommends that civil celebrants must undertake a course of training about marriage and relationships prior to obtaining registration. Existing celebrants must also undertake such a course within the next two years.

Recommendation 24: The Committee reiterates the Donovan Research report recommendation that service providers in the relationships education field provide training programs for civil marriage celebrants.

(2) In November 1997 I announced a review of the Civil Marriage Celebrant program which comprised a number of stages including distribution of a discussion paper, a survey of newly married couples, meetings with the State and Territory Registrars of Births, Deaths and Marriages and a national conference for civil marriage celebrants. Training was considered in this context. There were 850 responses to the discussion paper including proposals for the training of celebrants. A detailed proposal for the appointment, accreditation and professional development of authorised civil marriage celebrants was provided to the Attorney-General’s Department by civil marriage celebrant Mr Neil Wright in 1997 and was considered in the context of the review.

(3) The Government responded to “To Have and To Hold”, the report of the Standing Committee on Legal and Constitutional Affairs Inquiry into Strategies to Strengthen Marriage and Relationships in July 1999. In response to Recommendations 23 and 24 the Government stated the following:

“The Government supports these recommendations in principle. Civil celebrants should receive training to develop their knowledge of the availability of benefits of marriage education. Work on a national family strategy will include development of a clear plan for the training of current and future celebrants through consultation with relevant organisations. The Attorney-General’s department is currently undertaking a broad review of the Civil Marriage Celebrant Program.”

Pensioners: Private Health Insurance

(Question No. 920)

Mr Andren asked the Minister for Health and Aged Care, upon notice, on 21 September 1999:

(1) Has the Government modelled the budgetary effect of allowing pensioners to pay for private health insurance out of income earned over and above the current maximum fortnightly allowable limit above which any income earned reduces the pension; if so, what were the findings of that modelling; if not, (a) why has such modelling not been conducted and (b) will the Government conduct such modelling.

(2) Does the pensioner age group place a great demand on the public health system and would encouraging this group to earn a supplement income, pension unpenalised, to cover health insurance premiums, relieve the burden on the public health system.

(3) If so, what action will the Government take to help pensioners to help themselves in terms of private health insurance.

Dr Wooldridge—The answer to the honourable member’s question is as follows:

(1) I am unaware of any such modelling.

(a) It has not been a priority.

(b) Not in the foreseeable future.

(2) Evidence shows that people aged 65 years and older are high consumers of health services.

Quarantining supplementary income to specifically cover health insurance premiums is not consistent with Government policy.

(3) The Government has a number of initiatives, either already in place or likely to be implemented over the next 12 months, to help all Australians, including pensioners, to help themselves in terms of private health insurance. These include:

Lifetime Health Cover;
Medicare Rebate;
The 30% rebate for premiums of all members of registered health benefits organisations who are also eligible for the

The elimination of gap fees;

Supporting simplified billing and informed financial consent trials; and

Legislation to allow health funds greater scope in the development of products such as: loyalty bonuses for long term members, cover for a member’s co-payments for prescribed medicines under the Pharmaceutical Benefits Scheme whilst an admitted patient in a hospital and the potential to offer discounted premiums, based on administrative savings, to members.

Moorabbin Airport

(Question No. 925)

Mr Wilton asked the Minister for Transport and Regional Services, upon notice, on 22 September 1999:

(1) Is Moorabbin Airport the second busiest airport in terms of aircraft movements in Australia.

(2) What are the hours of operation of the control tower at Moorabbin Airport.

(3) Do night-time operations at Moorabbin Airport frequently fail to conform with the regulations set down by Airservices Australia.

(4) What is the total annual operating cost of the control tower at Moorabbin Airport.

(5) Will he take action to ensure that all after hours aircraft activity at Moorabbin Airport complies with the existing regulations.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) Airservices Australia advise that Moorabbin is the second busiest general aviation airport in Australia with 249,058 movements in 1998/99 compared with 276,718 movements at Bankstown in the same period. Sydney is Australia’s busiest airport with 282,950 movements in 1998/99.

(2) Airservices advise that the Moorabbin control tower currently provides air traffic services between 8.00am and 6.00pm during the non daylight saving period of the year and between 9.00am and 7.00pm during the daylight saving period of the year.

(3) The Civil Aviation Safety Authority (CASA) advise that the regulations are not set down by Airservices but by CASA. CASA advises that it does not believe there is a frequent failure to comply with these regulations, and that from its office on the aerodrome, it has undertaken a high level of observation of movements and found generally good compliance with the requirements.

(4) Airservices advise that the current annual operating cost of the Moorabbin control tower is approximately $1.5 million.

(5) CASA advises that it attempts to ensure a high level of compliance at aerodromes at all times but it is not possible for CASA to supervise every aircraft movement or to detect every breach of the rules. CASA advises that because of its presence at Moorabbin, it has a good appreciation of the level of compliance at this location and believes that pilots generally operate to a high standard at Moorabbin.

Diesel Fuel Grants

(Question No. 939)

Mr Andren asked the Minister for Transport and Regional Services, upon notice, on 27 September 1999:

(1) Will a 10 tonne truck transporting goods from a point in Bathurst to a point in metropolitan Sydney and back to Bathurst, be entitled to a diesel fuel grant for the entire journey, or only for the portion of the journey from Bathurst to Sydney as suggested by subparagraph 10(2)(b) of the Diesel and Alternative Fuels Grants Scheme Act 1999.

(2) If a diesel fuel grant is only available for the journey from Bathurst to Sydney (a) why, (b) at what point would the operator of such a vehicle become eligible for the diesel fuel grant under sub paragraph 10(2)(a) and (c) will this place an onerous administrative burden on affected transport providers; if not, why not.

Mr Anderson—The answer to the honourable member’s question is as follows:
(1)-(2)(a)(b) Eligible vehicles under section 10(2)(b) of the Diesel and Alternative Fuels Grants Scheme Act 1999 would be able to claim the diesel fuel grant for a journey from a point outside the metropolitan area to another point inside the metropolitan area, as well as a journey from a point inside the metropolitan area to another point outside the metropolitan area.

The Government currently has the Diesel and Alternative Fuels Grants Scheme (Administration and Compliance) Bill 1999 before the Parliament. Section 10A of this Bill provides for determination of eligible journeys. The Bill will enable the Commissioner for Taxation to make a determination as to what will, or will not, constitute a journey for the purposes of the Diesel and Alternative Fuels Grants Scheme.

The Bill provides that the Commissioner will issue a determination only after consultation with industry representatives, which must include:

- the Bus Industry Confederation;
- the Australian Trucking Association Ltd;
- the National Farmers Federation; and
- any other organisations as are specified in regulations.

I understand the Australian Taxation Office met with the Australian Trucking Association, the National Farmers Federation and the Bus Industry Confederation on Friday, 15 October 1999 to discuss their views on this issue. Consultation is continuing, with a determination to be made before the end of this year.

The determination will be a disallowable instrument, subject to the review of Parliament.

(2) (c) The Diesel and Alternative Fuels Grants Scheme (Administration and Compliance) Bill 1999 includes, at Part 4, provisions about what records need to be kept and retained, by those claiming a fuel grant. These requirements do not impose prescriptive requirements specifying certain kinds of records. Where possible, the Australian Taxation Office intends to adopt the approach that existing business records are adequate for the purposes of this scheme. Final record keeping requirements have not yet been determined.

Stirling Electorate: Day Care Centres
(Question No. 965)

Ms Jann McFarlane asked the Minister for Community Services, upon notice, on 11 October 1999:

(1) On the most recent data, how many (a) community-based and (b) private Long day Care centres are there in the electoral division of Stirling.

(2) What is the name and address of each centre.

(3) How many children are enrolled at each centre.

(4) What sum in Commonwealth funding did each centre receive in (a) 1995-96, (b) 1996-97, (c) 1997-98 and (d) 1998-99.

(5) What is the estimated sum that each centre will receive in 1999-2000.

(6) On the most recent data, how many families residing within the electoral division of Stirling receive some level of financial child care support from the Commonwealth and which payments do families receive.

Mr Anthony—The answer to the honourable member’s question is as follows:

The detailed information required to answer the honourable member’s question is not readily available in consolidated form. To collect and assemble such information solely for the purpose of answering the honourable member’s question would be a major task and I am not prepared to authorise the expenditure of resources and effort that would be involved.

Bowman Electorate: Day Care Centres
(Question No. 982)

Mr Sciaccia asked the Minister for Community Services, upon notice, on 12 October 1999:

(1) On the most recent data, how many (a) community-based and (b) private Long Day Care centres are there in the electoral division of Bowman.
Mr Anthony—The answer to the honourable member’s question is as follows:

The detailed information required to answer the honourable member’s question is not readily available in consolidated form. I do not consider appropriate the expenditure of resources and effort that would be involved in collecting and assembling information for the sole purpose of answering questions of this nature.

Networking the Nation Program: High Need Areas
(Question No. 987)

Mr Kerr asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 13 October 1999:

(1) Do funding guidelines exclude high need regional areas such as Glenorchy, Tas., from accessing funding under the Networking the Nation program; if so, will the Government reconsider the guidelines.

(2) Do residents of less affluent suburbs of regional capital cities have just as much need for access centres as residents of other regional cities and towns; if not why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) The guidelines for Networking the Nation, the Commonwealth’s regional telecommunications infrastructure program, state that the objective of the program is to assist the economic and social development of regional, rural and remote Australia by funding projects which:

- enhance telecommunications infrastructure and services in those areas;
- increase access to, and promote use of, services available through telecommunications networks in those areas; and
- reduce disparities in access to such services and facilities between Australians in regional, rural or remote areas and those in urban areas.

Regional, rural and remote areas are defined as any areas located outside the capital city of each State or Territory. Glenorchy is a suburb of Hobart and is ineligible for assistance under the program. The Government has no plans to review the Networking the Nation guidelines to admit capital cities as areas eligible to benefit under the program.

(2) Residents of capital cities and non-urban areas alike have a need for public internet access centres. However, the Networking the Nation program serves the needs of residents of regional, rural or remote areas, based on the view that available and emerging internet access facilities are most often established in capital city areas.

Australian Defence Force: Recruitment
(Question No. 994)

Mr Price asked the Minister assisting the Minister for Defence, upon notice, on 13 October 1999:

(1) Further to his answer to a question without notice (Hansard, 23 September 1999, page 7871), what are the targets for (a) navy, (b) army and (c) airforce reservists and regulars in the recruitment program to which he referred.

(2) What are the details of the flexible training to which he referred.

(3) What is the important role reservists fill to which he referred.

(4) How many more army personnel have been staffed from administrative roles to the ‘sharp end’ as a result of the Defence Reform Program.
Mr Bruce Scott—The answer to the honourable member’s question is as follows:

(1) The following tables show the full-time and reserve recruiting targets for 1999-2000 for all three Services:

### Full Time Recruiting Targets FY 99-00 as at 2 December 1999

<table>
<thead>
<tr>
<th>Full Time Service Component</th>
<th>FY Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navy</td>
<td>111</td>
</tr>
<tr>
<td>ADFA</td>
<td>59</td>
</tr>
<tr>
<td>Direct Entry Officer (DEO)</td>
<td>22</td>
</tr>
<tr>
<td>Under Grad (UG)</td>
<td>1353</td>
</tr>
<tr>
<td>Other Ranks</td>
<td>1545</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
<tr>
<td>Navy</td>
<td>155</td>
</tr>
<tr>
<td>ADFA</td>
<td>140</td>
</tr>
<tr>
<td>RMC</td>
<td>349</td>
</tr>
<tr>
<td>Officer 2nd DEO/UG/SSO(P)</td>
<td>2200 (Note 1)</td>
</tr>
<tr>
<td>GE/ATTS</td>
<td>1050</td>
</tr>
<tr>
<td>OR 2nd Enlistments</td>
<td>3894</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
<tr>
<td>Air Force</td>
<td>93</td>
</tr>
<tr>
<td>ADFA</td>
<td>186</td>
</tr>
<tr>
<td>DEO</td>
<td>24</td>
</tr>
<tr>
<td>UG</td>
<td>18</td>
</tr>
<tr>
<td>Commissioning</td>
<td>1213</td>
</tr>
<tr>
<td>Other Ranks (including remusters)</td>
<td>1534</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
<tr>
<td>Total Permanent</td>
<td>6973</td>
</tr>
</tbody>
</table>

Note 1: Correct as at 2 December 1999. The Gross Training Requirement (GTR) has been revised from 1832 to 2200 and issued to HQTC-A. HQTC-A is awaiting resource confirmation to issue the Throughput Plan. DDWP(A) will then formally issue the subsequent recruiting plan. I am advised that the gross GE/ATTS target will remain 2200.

### Reserves Recruiting Targets FY 99-00

<table>
<thead>
<tr>
<th>Part Time Service Component</th>
<th>FY Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navy</td>
<td>97</td>
</tr>
<tr>
<td>Officer</td>
<td>52</td>
</tr>
<tr>
<td>Other Ranks</td>
<td>149</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
<tr>
<td>Navy</td>
<td>485</td>
</tr>
<tr>
<td>Officer</td>
<td>4300</td>
</tr>
<tr>
<td>Other Ranks – GE</td>
<td>190</td>
</tr>
<tr>
<td>Other Ranks – RFSU</td>
<td>4975</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
<tr>
<td>Air Force</td>
<td>6</td>
</tr>
<tr>
<td>Officer</td>
<td>122</td>
</tr>
<tr>
<td>Other Ranks</td>
<td>128</td>
</tr>
</tbody>
</table>
It has been recognised that the current singular delivery option of 45-days continuous training has impacted upon the number of applicants for Reserve service. To address this impact, the Chief of Army has directed investigations to identify flexible options for the delivery of the recruit component of CIT. A trial of two flexible delivery options is scheduled for early 2000 and further work is underway to determine what more might be done.

Australia’s Reserve forces have contributed to every warfighting and military support operation Australia has undertaken, including all those since the end of the Vietnam war. There are approximately 20,000 Australians who are currently active members of the Army Reserve, which is a regionally distributed, part-time component of the Australian Army. Structurally, the Army Reserve is infantry based and organised into brigade formations with associated regional training and support elements.

The Reserve component contributes to ADF capability in four ways. The first two guide the functional utilisation of the Reserve component, the latter two are qualities the Reserve bring to the Army:

Specialist Skills. Reserves provide access to a range of individual and group specialist skills, which complement those maintained in the permanent component. This group is sourced from the civil community or former permanent component members. Examples include surgeons, dentists, lawyers and advanced vehicle mechanics. These skills are very expensive to acquire, in scarce supply, and readily degrade when not being applied. Members of this group have the skills to be effective in almost any environment with little pre-deployment training.

General Skills. Reserves provide access to a range of individual and group general military skills, which supplement those maintained in the permanent component. Examples include Infantry, Artillery and Armoured Corps individuals and units. Reserve forces with these skills are cheaper than their permanent equivalents because they are not trained during peacetime for short notice, high threat environments. Given a supportive legislative environment, personnel with these skills can be employed for short notice contingencies of a low threat nature and longer warning time contingencies of a more demanding nature.

Workforce Flexibility. Reserves provide flexibility in strategic workforce planning, enabling the ADF to expeditiously tailor its workforce to reconcile resource constraints with emerging strategic circumstances and strategic policy objectives.

Community Support. Reserves provide access and linkage between the permanent component and the community – the ADF’s ultimate source of legitimacy, support and personnel.

In contributing to ADF capability, Army’s Reserve component, as a whole, is engaged in the following activities:

Conducting and sustaining operations. Individual volunteers, usually with specialist skills, are routinely needed to augment other force elements for readiness, concurrency and sustainment of operations.

Providing surge capacity. The Reserve contribute to the Army’s ability to respond efficiently and expeditiously to changes in operational tempo, through augmenting the support and training system, and filling the positions vacated by full-time personnel deployed.

Providing strategic depth. Reserve units provide the strategic depth from which the Army can respond to unanticipated Defence emergencies and longer warning time conflicts. This is the primary employment for the bulk of the Army Reserve, which exists as a mobilisation and expansion framework.

As a result of Defence Reform Program reinvestment, actual personnel numbers in combat and combat-related areas have increased by 1,398 (from 12,564 as at 30 June 1996 to 13,962 as at 30 June 1999). At the completion of the reform process, it was planned that the Army would have 23,000 full-time personnel, of which 15,000 would be employed in the combat force. The Minister for Defence announced a decision on 23 November 1999 to increase the Army's strength by 3,000 to 26,000 full-time personnel. Of the additional 3,000 average funded strength allocated by Government,
approximately 2,400 will be directed to the combat force. The remaining 600 positions will be directed to enabling capabilities.

East Timor: Reservists

(Question No. 995)

Mr Price asked the Minister assisting the Minister for Defence, upon notice, on 13 October 1999:

(1) How many reservists have been deployed to East Timor for (a) navy, (b) army and (c) airforce (i) medical and dental specialists, (ii) engineers and (iii) other positions.

(2) How many reservists have been offered secondary engagement but not deployed.

(3) How many reservists have been offered payments by way of compensation for loss of earnings and what is the estimated annual cost of those payments.

(4) Have other reservists similarly facing a loss of income, or their employers, been offered similar compensation; if not, why not

Mr Bruce Scott—The answer to the honourable member’s questions is as follows:

(1) (a) 4; (i) Nil; (ii) Nil; (iii) 4.
(b) 27 officers, 141 soldiers.
(i) 11 medical specialists; (ii) Nil; (iii) 157.
(c) 18; (i) 2 medical specialists; (ii) Nil; (iii) 16.

(2) Navy – Nil; Army – Nil; Air Force – 25 officers, 22 airmen

(4) Not applicable.

Australian Defence Force: Independent Entitlements Review

(Question No. 1024)

Mr Laurie Ferguson asked the Minister assisting the Minister for Defence, upon notice, on 21 October 1999:

(1) What are the terms of reference of the independent review of entitlement anomalies involving service by Australian personnel in South East Asia between 1955 and 1975.

(2) As at the official closing date, how many submissions did the independent review panel receive from (a) organisations and (b) individual veterans and service personnel.

(3) Did the Department of Defence or the Department of Veterans’ Affairs make a submission before the closing date; if not, why not.

(4) After the closing date for submissions did he write to members of the review panel purporting to provide them with guidance about the Government’s expectations on matters to be covered by the review; if so, on what date was the letter sent.

(5) Is the provision of guidance to members of the review panel consistent with the undertaking that it would be free to conduct an independent review of entitlement anomalies; if so, how.

(6) When does the Minister now expect to receive the final report of the review panel.

Mr Bruce Scott—The answer to the honourable member’s question is as follows:

(1) The Terms of Reference were announced on Wednesday 19 May 1999 and are as follows:

“REVIEW OF SERVICE ENTITLEMENT ANOMALIES IN RESPECT OF SOUTH-EAST ASIAN SERVICE 1955-75

The Australian Government intends to review possible anomalies in service entitlements affecting those members of the Australian Defence Force who served in South-East Asia during the period 1955 to 1975.

This review will provide advice about relevant matters that should be taken into account for subsequent assessment by the Government of entitlements to repatriation benefits and service medals flowing from service during this period.

The review will produce a written report which will have regard to:

RAAF Ubon in Thailand;
service with the naval component of the Far East Strategic Reserve (comparing the conditions prescribed for the naval contingent with those personnel from the other two Services);

RAAF Butterworth in Malaysia;

service in Malaysia during the period of Confrontation with Indonesia; and

other service in South-East Asia during the period 1955-75, where prima facie evidence is presented to the review of possible anomalies regarding this service.

The Australian Government intends to review possible anomalies in service entitlements affecting those members of the Australian Defence Force who served in South-East Asia during the period 1955 to 1975.

This review will provide advice about relevant matters that should be taken into account for subsequent assessment by the Government of entitlements to repatriation benefits and service medals flowing from service during this period.

The review will report to the Government by 29 October 1999.”

(2) (a) and (b) There was no official closing date for submissions. Should a submission with valuable discussion or relevant new evidence be received by the Review Panel before the report is finalised, it will be considered. To date 36 submissions have been received from organisations and 1013 from individuals.

(3) The Departments of Defence and Veterans’ Affairs did forward submissions which were provided to interested organisations and individuals. Opportunity was subsequently given to those groups to comment on the submissions and to attend the special Public Hearing convened to enable those departments to respond in open forum to a number of questions that arose.

(4) No. The Minister’s letter to the Review Panel was sent on 5 October 1999. A copy of this letter was provided immediately to all interested groups and individuals, and is a public part of the documents before the Review.

(5) Yes. The Terms of Reference outline the independence of the Review. The letter mentioned above says nothing to alter this position.

(6) It is anticipated

Alice Springs to Darwin Railway: Funding Arrangements

(Question No. 1030)

Mr Latham asked the Minister for Transport and Regional Services, upon notice, on 22 November 1999:

(1) What are the funding arrangements for the Alice Springs to Darwin railway.

(2) What were the findings of the cost benefit study upon which the project is based.

(3) Will the Government make public all the feasibility studies and cost benefit analysis relating to the project.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) The Prime Minister announced on 28 October 1999 that the Commonwealth has increased its financial commitment to the Alice Springs to Darwin rail link by $65m. These funds are additional to the $100m previously committed from the Federation Fund.

The South Australian and Northern Territory Governments have raised their funding to $150m and $165m respectively, bringing the total Government financial contributions for the project to $480m. The Asia Pacific Transport Consortium, the preferred private sector builder, will be responsible for raising the balance of the required funds.

(2) A number of studies have been undertaken over the years into the feasibility of the Alice Springs to Darwin rail project. I would expect the private sector proponents of the project to have also undertaken extensive financial analysis of the project. The proponents needed to be satisfied that there is a business case for this project after the agreed government contributions are taken into account.

The Commonwealth’s decision to contribute funds to this project is based on the significant regional and national benefits that will be generated by this important link.

This project is expected to generate around 7000 jobs in regional Australia and has the potential to support additional investment as well as improving Australia’s export opportunities.
(3) The reports of previous major studies into the Alice Springs to Darwin rail link are readily available. The Commonwealth has not commissioned recent studies into the project and is not in a position to make public any studies that may have been undertaken or funded by Northern Territory agencies or the various bidding consortia.

**Child-Care Centres: Closures**

(Question No. 1038)

Mr Price asked the Minister for Community Services, upon notice, on 22 November 1999:

1. How many childcare centres have closed where the Commonwealth has allocated capital grants for the construction of the centres in 1998-99 and 1999-2000.
2. In which electoral divisions were the centres located.
3. Will the Government recover the capital grant from closed childcare centres; if so, how; if not why not.

Mr Anthony—The answer to the honourable member’s question is as follows:

1. There has been one child care centre which was allocated and paid capital funds for construction in 1998-99 and which has closed.
2. Indi.
3. The Victorian State Office of the Department of Family and Community Services is currently negotiating with local community based providers regarding sponsorship of the centre for provision of child or family services. If this proceeds, ownership would transfer to the relevant agency. The new sponsor would enter into a capital agreement with the Commonwealth.
   
   If the centre were to be sold, the Commonwealth would seek capital funds from the proceeds of the sale.

**Engineering and Accounting Market Access Committees**

(Question No. 1044)

Mr McMullan asked the Minister for Trade, upon notice, on 22 November 1999:

1. Was an (a) Engineering Market Access Committee and (b) Accountancy Market Access Committee established in 1995.
2. Are the committees still operating: is so, what is their current membership.
3. Have similar committees been established for other service industries; if so, (a) for which industries, (b) on what dates and (c) what is the composition of those committees.
4. What were the initial goals of the committees.
5. What progress has been made by the Government, with the assistance of the committees, to achieve the goals.

Mr Vaile—The answer to the honourable member’s question is as follows:

1. (a) The Engineering Market Access Committee (EMAC) was established in September 1995. (b) The Accountancy Market Access Committee (AMAC) was established in 1993.
2. EMAC and AMAC are continuing to operate. EMAC held its most recent meeting in 1998. Participants were drawn from the Association of Consulting Engineers Australia, the Institution of Engineers, the Department of Foreign Affairs and Trade (DFAT), the Department of Industry Science and Resources, the National Office of Overseas Skills Recognition (NOOSR), AusAid and Environment Australia.
   
   AMAC held its most recent meeting in 1998. The AMAC Chair is Bill Small, Senior Partner, PricewaterhouseCoopers, and Australian member of the International Federation of Accountants. Other participants include Mr Allen Blewitt, Deputy Executive Director, Institute of Chartered Accountants in Australia, and officials from DFAT and NOOSR.
3. (a) A similar committee was established for legal services. (b) The International Legal Services Advisory Council (ILSAC) was established in 1990. (c) ILSAC is chaired by Sir Laurence Street. Its eighteen members are drawn from private legal practice in Australia, commercial dispute resolution centres and legal education institutions. It is a part-time advisory council, with a secretariat based in the Attorney-General’s Department. The most recent meeting of ILSAC was in June 1999.
AMAC was established as a joint industry-Government consultative group in late 1993, to help prepare the Australian Government’s position in the World Trade Organisation (WTO) Working Party on Professional Services, to investigate ways to promote the export of Australian accountancy services, and to identify bilateral and multilateral measures that act as barriers. EMAC was established along similar lines to AMAC.

ILSAC provides a consultative forum for private and public sector interests on issues relevant to international legal services. In June 1997, former Trade Minister Fischer, agreed to give a high priority to market access and international trade issues involving legal services. With assistance from DFAT, ILSAC drafted an export development strategy for legal services.

The WTO Working Party on Professional Services concluded disciplines on accountancy in December 1998. The disciplines were developed to ensure that domestic regulation of the accountancy profession was not prepared, adopted or applied with a view to, or with the effect of, creating unnecessary barriers to trade in accountancy services. Australia was one of the Working Party’s most active proponents of strong disciplines, reflecting the Australian profession’s keen interest in opening up market opportunities through the WTO. We maintained a close consultative relationship with the profession through AMAC.

Following the finalisation of accountancy disciplines, work on professional services has moved into another phase. The Working Group on Domestic Regulation is currently considering how to use the accountancy work to develop disciplines for other professions. We are actively supporting the development of disciplines for professions, where there is a substantial volume of trade, and where there is a demonstrated industry interest. These sectors would include engineering, legal, architecture and surveying. EMAC and ILSAC will continue to be useful forums to prepare the Government’s position for these negotiations.

While EMAC and AMAC have not convened meetings in 1999, DFAT has maintained a close working relationship with the professional bodies represented on the Committees, in preparation for the WTO 2000 services negotiations. Committee members have assisted us in identifying trade barriers for exporting professional services. DFAT has also engaged in extensive industry consultations with a broad range of professional bodies and individual Australian companies engaged in engineering and accountancy. DFAT has consolidated the information from these consultations into a Market Access Database which will be a useful tool in developing our negotiating strategy for the services negotiations.

Drugs: Naltrexone

Mr Price asked the Minister for Health and Aged Care, upon notice, on 23 November 1999:

1. What is the success rate for those who undertake rehabilitation using Naltrexone.
2. What is the current cost of a drug dependent person seeking to access a Naltrexone program.
3. Are those people who are drug dependent able to access Naltrexone on a similar basis to methadone; if not, why not.
4. Is Naltrexone approved under the Pharmaceutical Benefits Scheme; if not, why not.

Dr Wooldridge—The answer to the honourable member’s question is as follows:

1. The Commonwealth Government does not routinely collect statistics on drug treatment outcomes. However, the book “Methadone Maintenance Treatment and Other Opioid Replacement Therapies” by Ward, Mattick and Hall (Harwood Academic Publishers: 1998), provides a review of the literature.

There are a number of trials of alternative treatment modalities, including naltrexone, buprenorphine, LAAM and slow release oral morphine currently underway or planned in Australia. The National Drug and Alcohol Research Centre, as part of the National Illicit Drug Strategy, is undertaking a national evaluation of these trials. Preliminary results are expected late in 2000.

2. ReVia tablets containing naltrexone are available on prescription from a doctor. The price of the drug is set by the manufacturer. The subsequent cost to the consumer will vary from pharmacy to pharmacy and is reported to range from $193 to $300 for a 30 day supply.
(3) Prescription of ReVia tablets containing naltrexone is not restricted to alcohol and drug specialists. General practitioners are able to prescribe naltrexone. In order to prescribe methadone, a doctor must be authorised to do so under the relevant jurisdictional legislation.

(4) Yes. ReVia tablets containing naltrexone is approved under the Pharmaceutical Benefits Scheme as an Authority required benefit (from 1 February 2000) for use within a comprehensive treatment program for alcohol dependence with the goal of maintaining abstinence.

No. ReVia tablets containing naltrexone is not approved under the Pharmaceutical Benefits Scheme (PBS) for the treatment of opioid dependence.

Before a medicine can be subsidised via the PBS, it must be assessed by the Pharmaceutical Benefits Advisory Committee (PBAC) - an independent expert body of doctors and other health scientists that advises the Government on PBS listings after having regard to marketing approval, safety, medical effectiveness and cost effectiveness of products compared to other treatments.

In view of the importance that the Government places on the proper management of heroin addiction, consideration of naltrexone for PBS listing was fast-tracked and a special meeting held for its assessment in July 1999.

The application for use in the treatment of opioid addiction was not successful because of naltrexone’s modest clinical efficacy in outcome measures of ‘relapse’ and ‘retention’ rates. There was also concern about the drug’s toxicity and about the difficulty in treatment of patients who require strong (opiate) analgesia in emergency situations while on naltrexone. The clinical data presented to the PBAC showed no evidence of significant medical effectiveness. Coupled with the price of the medicine, the resulting cost effectiveness could not justify PBS listing. This position was confirmed at the PBAC’s most recent meeting in December 1999.

Drugs: Methadone
(Question No. 1050)

Mr Price asked the Minister for Health and Aged Care, upon notice, on 23 November 1999:

(1) How many persons were receiving Methadone in 1997-98 in each State, and what was the cost to the Commonwealth.

(2) What is the average annual cost per methadone client.

(3) What is the success rate and how is it measured.

(4) How long has the Methadone program been funded by the Federal Government.

Dr Wooldridge—The answer to the honourable member’s questions are as follows:

(1) The total number of clients in methadone treatment programs in Australia at 30 June 1998, as advised by State and Territory Governments, was 24,657. The breakdown by State and Territory was:

<table>
<thead>
<tr>
<th>State</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>406</td>
</tr>
<tr>
<td>WA</td>
<td>1654</td>
</tr>
<tr>
<td>SA</td>
<td>1839</td>
</tr>
<tr>
<td>Tas</td>
<td>306</td>
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<tr>
<td>Qld</td>
<td>3011</td>
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<td>NSW</td>
<td>12107</td>
</tr>
<tr>
<td>Vic</td>
<td>5334</td>
</tr>
<tr>
<td>TOTAL</td>
<td>24657</td>
</tr>
</tbody>
</table>

The Commonwealth covers the wholesale cost of methadone syrup under Section 100 of the Pharmaceutical Benefits Scheme. In 1997/98 $3.176 million was spent on methadone.

Funding is provided to the States and Territories for a range of public health initiatives these may include methadone treatment through the Public Health Outcome Funding Agreements. It is the decision of each jurisdiction how allocations are made.

(2) No recent data is available on the average annual cost per methadone client.
The National Drug and Alcohol Research Centre is currently undertaking a costing study looking at the cost of methadone treatment in NSW.

(3) A research report entitled ‘A brief overview of the effectiveness of methadone maintenance treatment’ produced by the National Drug and Alcohol Research Centre (1999), was based on a review of the national and international medical and scientific literature and found that amongst other things, that:

“Methadone maintenance treatment has been demonstrated to be more effective than either no-treatment, drug-free counselling and rehabilitation, placebo medication, and detoxification/withdrawal in randomised controlled trials.”

“The evidence shows that methadone maintenance therapy is associated with a lower risk of death compared to that associated with no treatment, drug free treatment or detoxification/withdrawal.”

“Methadone maintenance treatment has been repeatedly shown to be associated with lowered rates of HIV infection.”

“Methadone maintenance treatment repays $4-$5 to the community in terms of reduced health care costs, reduced crime and other benefits for every $1 spent on it.”

(4) Commonwealth funding for methadone syrup commenced in 1978/79. Funding for States Treatment programs started in 1985/86 at the commencement of the National Campaign Against Drug Abuse.

**Child Support Intervention: Establishment in Australia**

(Question No. 1051)

Mr Price asked the Minister for Community Services, upon notice, on 23 November 1999:

(1) Has his attention been drawn to a US debt collection agency known as CSI (Child Support Intervention of Texas) that has recently established in Australia.

(2) Has his attention also been drawn to a claim by Mr Michael McCoy, the managing director of CSI, that it has Federal Government imprimatur; if so, is the statement correct; if so, how.

(3) Is he able to say whether CSI has issued “a bill of no rights” for non-residential parents; if so, (a) what is it and (b) does the Government support the approach.

Mr Anthony—The answer to the honourable member’s question is as follows:

(1) Yes. The commencement of Child Support Intervention (CSI) operations in Australia has been brought to the attention of the Government.

(2) Yes, I am aware of a press article in which Mr McCoy made this claim. However, there is no truth in Mr McCoy’s claim that the Australian Government supports the entry of organisations such as Child Support Intervention into the Australian market. The General Manager of the Child Support Agency responded to this article on Monday 15 November 1999.

(3) Yes. Child Support Intervention has issued a ‘Bill Of No Rights’ for non-residential parents. I understand the bill appears on CSI’s internet site.

(a) The Bill of No Rights sets out what are termed ‘common sense guidelines’ for non-custodial parents and liberal policy makers. The Bill declares that non-custodial parents who are unable to pay their child support have no rights.

(b) No. The Government does not support this approach.

**Chisholm Electorate: Day Care Centres**

(Question No. 1058)

Ms Burke asked the Minister for Community Services, upon notice, on 24 November 1999:

(1) On the most recent data, how many (a) community-based and (b) private long day care centres are there in the electoral division of Chisholm.

(2) What is the name and address of each centre.

(3) How many children are enrolled at each centre.

(4) What sum in Commonwealth funding did each centre receive in (a) 1995-96, (b) 1996-97, (c) 1997-98 and (d) 1998-99.
(5) What is the estimated sum that each centre will receive in 1999-2000.

(6) On the most recent data, how many families residing within the electoral division of Chisholm receive some level of financial child care support from the Commonwealth and which payments do families receive.

Mr Anthony—The answer to the honourable member’s question is as follows:

The detailed information required to answer the honourable member’s question is not readily available in consolidated form. To collect and assemble such information solely for the purpose of answering the honourable member’s question would be a major task and I am not prepared to authorise the expenditure of resources and effort that would be involved.

World Trade Organisation Ministerial Conference: Principles
(Question No. 1063)

Mr Andren asked the Minister for Trade, upon notice, on 6 December 1999:

(1) What policy principles underpinned his contributions to negotiation at the 3rd World Trade Organisation Ministerial Conference held in Seattle between 30 November and 3 December 1999.

(2) What was the objective of the Seattle Conference and what items were on its agenda.

(3) Were any measures similar to those contained in the failed Multilateral Agreement on Investment on the agenda in Seattle, if so (a) which measures and (b) what was the Government’s position with regard to them.

(4) What position will he be advocating for Australia during the millennium round of trade negotiations with regard to (a) trade and agriculture, (b) trade and services, (c) trade and the environment, (d) trade and competition, (e) trade and investment and (f) the trade in textiles, and why will he be advocating those positions.

(5) What evidence does the Government have that trade liberalisation is in the best interests of both industrialised and developing nations and that it is in the best interests of Australia.

(6) How will he be communicating the outcome of the Seattle negotiations to the Australian people.

(7) What opportunities will be available for Australians and the Parliament to review the outcomes of the Seattle negotiations and their implications for Australia.

(8) What processes will be followed before Australia will sign off on any agreements that may have arisen from the Seattle negotiations.

Mr Vaile—The answer to the honourable member’s question is as follows:

(1) Australia’s negotiating strategy at the 3rd World Trade Organisation (WTO) Ministerial Conference was underpinned by the basic policy principle that Australia’s trade interests would be advanced by improved market access for Australian exporters which could best be delivered by a new round of multilateral trade negotiations. A rules-based system based on the fundamental principle of non-discrimination, as embodied in the WTO agreements, offers a medium-sized nation with global trade interests, such as Australia, the greatest prospects for promoting and protecting its trade interests.

(2) The primary objective of the Seattle conference was to launch a new round of multilateral trade negotiations. While the Conference did not have an official agenda, negotiations took place under the auspices of five “working groups.” These groups addressed the following areas: Agriculture; Implementation and rules; Market access (industrials and services); Singapore agenda/new issues (e.g. investment, competition policy and government procurement) and Systemic issues (including relations with non-government organisations).

(3) A number of WTO members, including the European Union and Japan, called in Seattle for negotiations on investment to be included in a new round. These proposals were not comparable to those considered in the context of the OECD negotiations on the Multilateral Agreement on Investment. Whilst there was broad support for the inclusion of direct investment on the future WTO agenda, there was no agreement on initiating negotiations on the subject.

(4) Agreement was not reached at Seattle on launching a new round and the timing of the eventual launch of a round remains uncertain. The Government’s current negotiating positions for a round are as follows:

trade and agriculture—Australia and the Cairns Group (which Australia chairs) argue that the WTO agriculture negotiations (which are mandated under previous WTO agreements to commence in January
2000) must bring agricultural goods fully within existing WTO rules and disciplines in order to significantly improve market access and eliminate trade-distorting export and domestic subsidies.

trade and services—Australia argues that WTO service negotiations (which are mandated under the WTO General Agreement on Trade in Services to commence in January 2000) should cover all service sectors and all modes of supply, and focus on market access. Full account will be taken of Australia’s specific national interests in areas such as the audiovisual and health sectors.

(c) trade and the environment—Australia supports ongoing work within the WTO to ensure that trade and environmental policies mutually support the promotion of sustainable development. Australia advocates that a new round give priority to reforms that would also have environmental benefits, including negotiations to reduce fisheries subsidies which contribute to overfishing and the depletion of fisheries resources.

(d) and (e) trade and competition & trade and investment - At Seattle, Australia did not support open-ended negotiations on competition policy and trade and investment in the WTO. Australia considers that issues such as these are not ripe for negotiation and should not be included on the core agenda of a round lest they prejudice the prospects of achieving market access gains in a short-time frame. It is expected that exploratory work in these areas will continue in existing WTO Working Groups.

(f) trade in textiles—Australia supports comprehensive negotiations on industrial tariffs, including textile tariffs, with the aim of reducing tariffs faced by Australian exporters.

(5) Work commissioned by the Government and published in May 1999 in the Department of Foreign Affairs and Trade study, Global Trade Reform: Maintaining Momentum, estimates that a 50 percent cut in global market access barriers would result in an approximate gain to the world economy of US$ 400 billion annually. While the modelling in the study demonstrates that all countries would benefit, developing economies stand to gain the most in proportion to GDP. Trade liberalisation should deliver major benefits to developing countries because it is areas of the greatest trade importance to them, such as agriculture and textiles, that currently face the most restrictions.

Trade is vital to Australia and trade liberalisation offers substantial benefits for the Australian economy. Exports underpin our economic growth and account for one in every five Australian jobs, as 1.7 million jobs depend, directly, or indirectly, on access to foreign markets. Import and distribution activity would also underpin substantial levels of domestic employment. Two-thirds of Australia’s farm production is exported and the figure is ninety percent for the minerals and energy sector, giving regional and rural Australia a huge stake in Australia’s trade.

(6) I communicated the outcome of the Seattle Ministerial Conference in a statement in the House of Representatives on Wednesday 8 December 1999.

(7) The Seattle Ministerial Conference did not produce any outcomes requiring public scrutiny. The outcome of future negotiations (including the mandated negotiations on agriculture and services) that lead to any new or revised WTO agreements would be subject to the normal procedures for the parliamentary and public scrutiny of treaties. These procedures are outlined in a Joint Statement made by the Minister for Foreign Affairs and the Attorney-General on 2 May 1996.

(8) No agreements arose from the Seattle Ministerial Conference.

**Australian Defence Force: Civil Accreditation Program**

(Question No. 1065)

Mr Laurie Ferguson asked the Minister Assisting the Minister for Defence, upon notice, on 6 December 1999:

1. What are the objectives of the Australian Defence Force’s Civil Accreditation Program (CAP).
2. When did CAP commence and what progress has the ADF made in implementing it.
3. Does the program apply to reservists; if not, why not.
4. Has Headquarters Training Command Army determined that the award of a Diploma of Personnel and Resource Management under CAP only applies to officers in the Regular Army and will not be issued to reservists who meet the stated eligibility requirements.
5. Will he ensure that the ADF issues accreditation under CAP to all personnel who meet the stated eligibility requirements, regardless of whether their current service is on a full-time or part-time basis.
Mr Bruce Scott—The answers to the honourable member’s questions are as follows:

(1) Army's Civil Accreditation Program (CAP) aims to gain civil recognition for the Army's formal training courses, on-the-job training (OJT) and on-the-job experience (OJE) where possible. Civil accreditation is complementary to the aim of Army training, which is to provide personnel capable of performing their designated duties. The principal benefits of accreditation are:

- improving the morale of serving personnel who see the CAP assisting them in their resettlement into civilian employment at a later date;
- enhancing the positive image of Army as a Registered Training Organisation (RTO) and the consequent potential impact on recruiting; and
- enabling Army to take advantage of members’ existing civilian qualifications by granting exemptions for equivalent Army training on the basis of recognition of prior learning (this applies to full-time and part-time members).

(2) The CAP commenced in 1990. Initial accreditation was given under the Register of Australian Tertiary Education (RATE) guidelines. From 1997 onwards, accreditation has been granted in accordance with the Australian Qualifications Framework (AQF) guidelines. Most full-time Army accreditation has now been completed. In 2000, the focus of the CAP will switch from the full-time to the part-time Army. This phase is scheduled for completion in 2001. It should be noted that accreditation for part-time elements of Pay Corps, Commando training and Intelligence Corps has already been secured.

(3) Accreditation usually includes an element of OJT and OJE. This acknowledges that a significant component of members' competencies are gained outside the formal, residential training framework and so it maximises the level of the CAP awards granted. Part-time members are required to attend a minimum of 35 days per year, made up of non-continuous and continuous 16 day training blocks. The nature of part-time service is such that the training undertaken is usually conducted using different training management packages, which are briefer than those used for full-time members. As well, because of their relatively brief periods of attendance, many part-time members cannot meet the OJT and OJE requirements of current CAP awards and are also unable to complete full-time Army training courses. This is recognised by the Army and, as indicated in the response to question two, separate accreditation processes have been in put in place to provide access for part-time members to CAP benefits.

(4) The Diploma of Personnel and Resource Management will be issued to those members of the Army who meet the eligibility requirements of the award. The Associate Diploma of Personnel and Resource Management is issued to graduates of the Royal Military College, Duntroon who have completed the Australian Regular Army (ARA) commissioning course. This course has received accreditation on the basis of the 3313 hours of training and education completed over an 18 month period. This award is the prerequisite award for the issue of the Diploma of Personnel and Resource Management. A part-time member may satisfy this prerequisite by:

- being granted an Associate Diploma of Personnel and Resource Management (or an equivalent award) from a civilian training establishment, or
- completing the full-time officer training course at RMC.

If a full-time or part-time member has an Associate Diploma of Personnel and Resource Management or equivalent and has also completed the Regimental Officer Basic Course, Junior Staff Course (or Intermediate Staff Course), Regimental Officer Advanced Course and Intermediate Operations Course after 1 June 1997, they will be entitled to the Diploma of Personnel and Resource Management under the CAP. It should be noted that this award was superseded by new qualifications in 1997.

(5) Under the current CAP arrangements, all personnel (full-time or part-time) who meet the stated eligibility requirements for a particular award are able to be issued the appropriate award(s) on application. The accreditation of part-time training and service has been resourced as part of the CAP. The current CAP process is based on a five year program. The CAP is now entering the third year of this program and is running ahead of the original schedule. This has allowed Army to address part-time training and service earlier than originally anticipated.

International Campaign Against Child Soldiers
(Question No. 1074)
Mr Edwards asked the Minister for Foreign Affairs, upon notice, on 6 December 1999:

What action is the Government taking to support the international campaign against child soldiers.

Mr Downer—The answer to the honourable member’s question is as follows:

In light of the widespread and increasing involvement of children in armed conflicts currently taking place around the world, the Government considers it a priority to support efforts aimed at improving the international legal protection available to children affected by armed conflict. In particular, Australia strongly supports the development of the Optional Protocol to the Convention on the Rights of the Child (CROC) on the involvement of children in armed conflict. The aim of the Protocol is to raise the minimum age for recruitment of persons into armed forces and for their participation in hostilities from 15 years (as it is currently established in the CROC and in international humanitarian law). Australia is actively participating in the negotiations of the working group developing the text of the Protocol.

The Government also supports practical efforts aimed at addressing the situation of children who have found themselves caught up in armed conflicts, separated from their families as refugees or subject to civil disorder and famine which often follow in the aftermath of armed conflict.

For example, the Government has provided $28.5 million to Rwanda since 1994 and $35 million to assist the victims of prolonged conflict and famine in southern Sudan since 1992. Some of the projects which Australia has funded involve: family tracing and reunification activities; counselling programs for traumatised children; unaccompanied children centres; water and sanitation programs including components specifically targeting households headed by children; and community rehabilitation projects supporting demobilised child soldiers. Australia has played a vital role in peace-monitoring in Bougainville, with more than $100 million committed to the peace process over five years. Specifically, Australia has provided $16.9 million in funding for the reconstruction and development of three high schools and training facilities, assisting over 1200 students to rebuild their lives.

Department of Employment, Workplace Relations and Small Business: Provision of Advice

(Question No. 1083)

Mr Bevis asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 7 December 1999:

Has he or his Department provided advice, either in writing or orally, to any Government department or instrumentality (a) directing or encouraging the engagement of staff using a particular type of industrial instrument or contract and (b) that employees are to be employed under the terms of a non-union agreement or Australian Workplace Agreement; if so, (i) which departments or instrumentalities are involved and (ii) what was the advice or direction.

Mr Reith—The answer to the honourable member’s question is as follows:

The Minister Assisting the Prime Minister for the Public Service has provided me with the following answer:

Neither the Minister Assisting the Prime Minister for the Public Service nor the Department of Employment, Workplace Relations and Small Business has provided advice, either in writing or orally, to any Government department or instrumentality (a) directing that they engage staff under a particular type of industrial instrument or contract or (b) directing that employees are to be employed under the terms of a non-union agreement or Australian Workplace Agreement (AWA).

However, both the Minister Assisting the Prime Minister for the Public Service and the Department of Employment, Workplace Relations and Small Business have encouraged all Commonwealth agencies to make wider use of all agreement making options available to them under the Workplace Relations Act 1996, including certified agreements made directly with employees and AWAs.

In its publication ‘How to Make an Agreement: Procedural Aspects. A Workplace Relations Handbook for the APS’ dated September 1997, the (then) Department of Workplace Relations and Small Business advised that “an agency has two major choices when deciding who to make a certified agreement with. Agreements can be made either with a union or unions (under s. 170LJ) or directly with employees (under s. 170LK). This decision will need to take into account the agency’s particular circumstances.”

In a handbook entitled ‘Workplace Relations Policy in Australian Government Employment’ dated June 1998, the Department of Workplace Relations and Small Business advised that “In the Australian
Public Service (APS), the Government has indicated that the introduction of AWAs for SES officers is a particular priority for Agency Heads.”

On 23 October 1998, the Secretary of the Department of Employment, Workplace Relations and Small Business (DEWRSB) wrote to all Heads of APS agencies regarding a review of the Government’s Policy Parameters for Agreement Making in the APS. In that letter, Dr Shergold advised agencies that

“The Government expects that all agencies will continue to pursue best practice agreement making and the wider use of all agreement making options for continued success in driving workplace change. Dr Kemp noted on 3 August that the Government will move to provide even more flexibility to agencies in agreement making and, with the bulk of SES now covered by AWAs, it is expected that agencies will consider opportunities for the expanded use of AWAs below the SES (eg. to Executive Level 2 staff (Section Heads)).”

On 1 July 1999 DEWRSB provided all APS agencies with ‘Supporting Guidance for the Policy Parameters for Agreement Making in the APS’. The Supporting Guidance provides, inter alia, that

“Agencies are required to provide for access to all agreement making options under the Workplace Relations Act 1996 and retain the capacity to offer AWAs to all employees. Agency Heads have been given the authority to make AWAs on behalf of the Commonwealth as employer. […]

The Government expects that, given the level of their duties, SES staff would be covered by AWAs, rather than certified agreements, and that agencies should consider extending the use of AWAs to staff below the SES (eg. Executive Level 2 staff).”

Youth Homelessness Early Intervention Program

(Question No. 1084)

Mr Albanese asked the Minister representing the Minister for Family and Community Services, upon notice, on 7 December 1999:

(1) Which organisations were involved in the pilot stage of the youth homelessness early intervention program “Reconnect”.

(2) What procedure was employed by the Government during the tendering process, to evaluate which pilot programs would be further funded under the “Reconnect” program.

(3) Was an independent report prepared, listing recommendations to her; if so, (a) who prepared the report and (b) which services were recommended funding in the report

Mr Anthony—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) 26 organisations were funded under the Youth Homelessness Pilot Program. They are listed below:

Deniliquin Emergency Accommodation Program
Eltham Community Health Centre
Regional Extended Family Service Inc
Australian Vietnamese Women’s Welfare Association Inc
Central Gippsland Accommodation Support Service Inc
Victoria University of Technology
Colony 47
Anglicare Tasmania Inc
Centacare
Samaritans Foundation, Diocese of Newcastle
Wollongong Youth Accommodation and Support Association Inc.
Bega Valley Shire Council
Adelaide Central Mission
Port Pirie Central Mission
Agencies for South West Accommodation
The following selection process was used to select successful organisations under round one of the Reconnect program:

Community organisations in identified communities of high need were eligible to apply as part of a competitive selection process. All applications were assessed against criteria listed in the Guidelines for Applicants.

A panel of four senior officers from different Branches within the Department assessed the applications against the selection criteria in the Guidelines for Applicants.

(3) (a) The Departmental selection panel prepared comparative assessment reports along with recommendations, which were forwarded to Senator Newman for her approval.

(b) The following organisations were recommended for funding in the reports:

<table>
<thead>
<tr>
<th>Community of High Need</th>
<th>Name of Organisation</th>
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<tbody>
<tr>
<td>Burnie/Devonport</td>
<td>Anglicare TAS</td>
</tr>
<tr>
<td>Greater Hobart: Glenorchy, Brighton, Colony 47</td>
<td></td>
</tr>
<tr>
<td>Clarence</td>
<td></td>
</tr>
<tr>
<td>Bega Valley</td>
<td>Bega Valley Shire Council</td>
</tr>
<tr>
<td>Camden, Wollondilly &amp; Campbelltown</td>
<td>Burnside Macarthur Care</td>
</tr>
<tr>
<td>Deniliquin</td>
<td>Society of St Vincent de Paul</td>
</tr>
<tr>
<td>Newcastle/Lake Macquarie</td>
<td>Samaritans Foundation</td>
</tr>
<tr>
<td>Blue Mountains, Hawkesbury and Penrith</td>
<td>Wesley Dalmar Hawkesbury/Nepean</td>
</tr>
<tr>
<td>State-wide Gay and Lesbian Community</td>
<td>The Twenty Ten Association Inc.</td>
</tr>
<tr>
<td>Inner City Sydney</td>
<td>Sydney Mission/Salvation Army/Wesley Mission.</td>
</tr>
<tr>
<td>Wollongong, Shellharbour, Kiama, Shoalhaven</td>
<td>Wollongong Youth Accommodation and Support Association Inc. (WYASA)</td>
</tr>
<tr>
<td>Gippsland: Baw Baw &amp;La Trobe</td>
<td>Northern Rivers Social Development Council</td>
</tr>
<tr>
<td>Inner Barwon: City of Geelong: Queenscliffe, Mackillop Family Services</td>
<td></td>
</tr>
<tr>
<td>Outer North: Banyule and Nillumbik: Eltham Community Health Centre</td>
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<tr>
<td>Outer East: Yarra Ranges, Maroondah and Knox Regional Extended Family Services Inc.</td>
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<tr>
<td>Inner West: Maribyrnong, Brimbank and Moonee Valley Melbourne City Mission</td>
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</tr>
<tr>
<td>Caloundra</td>
<td>Youth Action Inc.</td>
</tr>
<tr>
<td>Gladstone</td>
<td>Roseberry Youth Services</td>
</tr>
<tr>
<td>Gold Coast</td>
<td>Gold Coast Project for Homeless Youth Inc.</td>
</tr>
</tbody>
</table>
Ipswich/Inala Mercy Family Services
Central North Metropolitan Perth Mercy Community Services
Bunbury/South West Rural Communities Association for South West Accommodation
South East Metro Perth Mercy Community Services
Port Augusta/Port Pirie Port Pirie Central Mission Inc.
Salisbury Adelaide Central Mission
Onkaparinga Mission Australia
Darwin: urban Anglicare Top End
ACT region Centacare

(4) All of the above organisations have been offered a funding agreement under Reconnect.

(5) Senator Newman followed the selection panel’s recommendations.

**Australian National Railways: Withdrawal of Concessions**

*(Question No. 1092)*

**Mr Sawford** asked the Minister for Transport and Regional Services, upon notice, on 8 December 1999:

1. What is the cost of, and the reasons for, withdrawing railway concessions for retired Australian National employees.
2. Does the withdrawal of the concessions break an undertaking to all ex-South Australian rail employees by the Governments of Australia and South Australia.

**Mr Anderson**—The answer to the honourable member’s question is as follows:

1. The cost to the taxpayer of providing this subsidy was $91,775 for the period 1 November 1997 to 31 March 1999. This figure does not include the cost of administering the subsidy. Furthermore, the cost was open-ended and would have increased if the passenger operator increased fare levels.

   The Government’s decision to phase-out concessions for retired Australian National employees was based on legal advice received from the Australian Government Solicitor that Gold Pass holders, retired employees and spouses have no legal entitlement to these concessions. In the circumstances, the Government considered that it could no longer justify continuing the open-ended cost to taxpayers of subsidising rail travel for retired Australian National employees where there was no legal entitlement and where generous benefits not available to the general public had already been paid.

2. I am unaware of any Commonwealth Government commitment to ex South Australian rail employees that it would continue to subsidise their interstate rail travel beyond 31 March 1999. I am unable to comment on whether the withdrawal of the concessions broke an undertaking to all ex-South Australian rail employees by the Government of South Australia.

**Tibet: Prisoners**

*(Question No. 1094)*

**Mr Danby** asked the Minister for Foreign Affairs, upon notice, on 9 December 1999:

Were the human rights abuse cases of:

(a) Ngawang Choephel, a 30-year-old Tibetan exile sentenced to 18 years imprisonment for spying while filming a documentary on Tibetan performing arts for his ethnomusicology studies,
(b) Tenak Jigme Sangpo, a teacher and human rights advocate, now in his 70s with ailing health, who has been arrested many times and detained since 1959 and has served a total of 33 years in prison and is not due for release until 2011,
(c) Phuntsok Nyidron, Jigme Yanchen, Tenzin Thupten, and Gyaltson Dolkar, nuns from Garu nunnery who have been sentenced from 12 to 17 years for recording freedom and independence songs and poems whilst in prison,
(d) Ngawang Sangdrol, also from the Garu nunnery, who has been imprisoned since the age of 10 and in 1996 had her sentence extended simply for shouting “Free Tibet” and at the age of 21 is the longest serving known female political prisoner in Tibet,
(e) Tsering Ngodup and Sonam Dhondup, who are serving 12 years imprisonment for expressing their political views, raised at the Australia-China dialogue in August 1999 or at anytime before this.

**Mr Downer**—The answer to the honourable member’s question is as follows:
The Australian Government has raised the cases of Ngawang Choephel, Tanak Jingme Sangpo, and Ngawang Sandrol during the 1997, 1998, and 1999 rounds of the human rights dialogue. The Government has not yet raised the cases of the other individuals mentioned in the question but will do so at the earliest suitable opportunity.

**Fairfield Workplace Learning Program: Funding**
*(Question No. 1102)*

**Mrs Crosio** asked the Minister for Education, Training and Youth Affairs, upon notice, on 7 December 1999:

1. What sum did the Fairfield Workplace Learning Program (FWLP) receive from the Government in 1999.
2. How many government and non-government high schools use the program.
3. Are courses under the FWLP offered as Dual Accredited Vocational Courses (DAVC); if so, (a) how many, (b) what are the fields of study, (c) how many high school students were enrolled in each subject in (i) 1999 and (ii) 2000 and (d) what is the total number of high school students enrolled in DAVC in 2000.
4. How many high school students were given work placements in 1999 with the assistance of the Fairfield Workplace Learning Partnership.
5. Has funding for the FWLP been cut by 22% from $100,000 in 1999 to $78,000 in 2000; if so, why; if not, what sum will the FWLP receive in 2000.
6. Will the FWLP receive further funding cuts; if so (a) why and (b) by what sum.

**Dr Kemp**—The answer to the honourable member’s question is as follows:

1. The Fairfield Workplace Learning Programme received $100,000 from the Australian Student Traineeship Foundation (ASTF) in 1999. The ASTF is entirely funded by the Commonwealth Government.
2. 11 Government and no non-Government high schools use the FWLP.
3. The status of courses offered under the auspices of the FWLP are determined by the NSW Department of Education and Training particularly as all schools involved are from the government sector. (a) Final enrolment figures for 1999 will not be available to the Commonwealth until programmes report to the ASTF early in 2000. Enrolments are not available for 2000 as students are able to change subject selections until early 2000. (b) The FWLP includes programmes in the following industry areas: building and construction, light manufacturing, office/finance/banking/insurance, retail/wholesale, utilities, hospitality, community services and health, automotive, information technology/printing/communication. (c) Numbers are not yet available. (d) Numbers are not yet available.
4. Numbers are not yet available.
5. The ASTF provided the FWLP with $100,000 in 1999 and will be providing the programme with $78,000 in 2000. The increasing demand for funds from the ASTF led it to decide to limit funding for individual programmes in 2000 by imposing a reduction of 20-25 per cent on the previous year’s funding allocation. The FWLP’s reduction from $100,000 in 1999 to $78,000 in 2000 (22%) falls within this range.
6. An additional allocation of $10 million to the ASTF for work placement coordination in schools for calendar year 2001 has been made. This maintains the Commonwealth’s funding support for work placement coordination in schools. It provides the ASTF with the capacity to maintain overall funding levels for work placement coordination in 2001. The ASTF funds programmes on a yearly basis through a bidding and selection process conducted in May to August of the year preceding programme implementation. This enables schools the time to prepare for the next year’s activity. Decisions by the ASTF on funding for 2001 will not be made until about August 2000.

**Banyo and Bulimba Army Facilities: Enterprise Agreement**
*(Question No. 1104)*

**Mr Bevis** sked the Minister Assisting the Minister for Defence, upon notice, on 8 December 1999:
Wednesday, 16 February 2000

(1) During the 1998 negotiations and subsequent vote for an enterprise agreement involving Drake Personnel Ltd. at Banyo and Bulimba Army facilities, were employees at Banyo asked to sign statements to indicate they voted yes in the secret ballot; if so, (a) who requested this, (b) to whom were the responses provided and (c) what action was taken by Drake or his Department to act on this information.

(2) Have staff at Bulimba subsequently been sacked to make way for staff from Banyo; if so, (a) who made the decision about which staff should go, (b) what selection criteria were used to select staff and (c) what role did Drake or his Department play in the selection process.

Mr Bruce Scott—The answer to the honourable member’s question is as follows:

(1) (a) (b) and (c) The 1998 negotiations for an Enterprise Agreement were exclusively a matter between Drake Industrial and their employees. There was no South Queensland Logistic Group (SQLG) involvement in the process. SQLG is therefore unaware if any such request was made.

(2) Due to operational and funding considerations it was necessary to reduce Drake Industrial employee numbers across SQLG sites by a total of 10 personnel. In order to re-balance production it was subsequently necessary to move some of the workforce (including military, Public Service and Drake Industrial employees) from Banyo to Bulimba. The requirement to reduce numbers was communicated to Drake Industrial in accordance with the terms and conditions of the contract. This advice included the mix of skills and trades to be reduced.

(a) Drake Industrial is solely responsible for such decisions.

(b) Drake Industrial criteria.

(c) Selected by Drake Industrial. The Department of Defence played no part in the selection process.

Forest Industry Structural Adjustment Program: South-West Region

(Question No. 1108)

Mr Laurie Ferguson asked the Minister for Forestry and Conservation, upon notice, on 9 December 1999:

(1) Further to his answer to question No. 918 (Hansard, 21 October 1999, page 12234), does the Memorandum of Understanding with the WA Minister for the Environment require the Commonwealth and State Governments to jointly complete a hardwood timber industry development strategy; if so, has this strategy been completed.

(2) If the strategy has not been completed, (a) what progress has been made with its preparation, (b) which Commonwealth agencies are involved in the process, (c) what consultation is proposed with relevant stakeholders and (d) what is the estimated completion date.

(3) Will the impact of the Premier’s announcement of 27 July 1999 that logging of old growth karri and tingle forests will cease when current contracts expire be considered in the development of the strategy and in setting priorities for the WA FISAP; if not, why not.

Mr Tuckey—The answer to the honourable member’s question is as follows:

(1) The Memorandum of Understanding (MOU) for the Western Australian Hardwood Timber Industry Development and Restructuring Program, also known as WA FISAP, provides that a hardwood industry development strategy will be completed by the Western Australian and Commonwealth Governments to provide a framework for the development of guidelines and priorities for the implementation of this program and the long term development of the industry.

The strategy has not been completed.

(2) (a) (c) & (d) Details of the development of the strategy will be determined in negotiation with the Western Australian Government as part of broader negotiations on the implementation of the WA FISAP.

(b) The Department of Agriculture, Fisheries and Forestry is the Commonwealth agency responsible for the development and implementation of the WA FISAP, including the completion of a hardwood timber industry development strategy. The Department of Agriculture, Fisheries and Forestry will consult with other relevant Commonwealth agencies in relation to the hardwood timber industry strategy as appropriate.

(3) Resource security is fundamental to any business proposing long term investment in the native hardwood timber industry. Resource availability will be considered in the development of an industry
strategy for the Western Australian timber industry and for the setting of priorities for the development of industry development funding under the WA FISAP.

Standing Committee on Communications, Transport and the Arts: Government Responses

(Question No. 1114)

Mr Hollis asked the Minister for Transport and Regional Services, upon notice, on 9 November 1999:

(1) Why has the Government not yet formally responded to the recommendations continued in the House of Representatives Standing Committee on Communications, Transport and the Arts reports entitled (a) Tracking Australian and (b) Planning not patching.

(2) When will the formal responses be made.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) and (2) The Government is seeking to deal with these reports through a strategic response taking account of external factors such as the review of business taxation and wider transport policy issues. The timing of these processes mean that the response to these reports will be considered as soon as practicable.

Emergency Relief Grants: Funding Availability

(Question No. 1119)

Ms O’Byrne asked the Minister representing the Minister for Family and Community Services, upon notice, on 9 December 1999:

(1) How does the Ministers Department publicise the availability of funding through Emergency Relief Grants.

(2) Has this form of publicity varied since 1996-97; if so, in what manner has it varied.

(3) Does the Ministers Department advertise the availability of funding through Emergency Relief Grants in all metropolitan newspapers.

(4) Does the Department advertise the availability of funding through Emergency Relief Grants in all regional newspapers; if not, in which regional newspapers are advertisements placed.

Mr Anthony—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) The Department does not publicise the availability of Emergency Relief funding to either clients or to organisations. State and Territory offices of the Department provide information about the Emergency Relief Program for organisations wishing to apply for funding.

Since the Program’s inception there has been a stable base of providers in the ER Program (approximately 900 agencies distributing through 1300 outlets nationally). There is limited scope for the inclusion of new organisations in the Emergency Relief Program. New organisations generally enter the program only when existing organisations close or withdraw resulting in on-going funding becoming available.

Departmental State/Territory offices provide information to organisations who are interested in applying for ER funding and maintain a contact list of these organisations for future reference. If funds become available the Department, in consultation with the State/Territory Emergency Relief Advisory Committee, considers re-allocation of funds based on regional needs and the location of eligible organisations.

(2) No.

(3) No.

(4) No.