CONTENTS

THURSDAY, 9 MARCH

CHAMBER HANSARD

Minister for Aged Care
Suspension of Standing and Sessional Orders............................................. 14273
Environment and Heritage Legislation Amendment Bill 2000
First Reading ............................................................................................... 14276
Family and Community Services Legislation Amendment Bill 2000
First Reading ............................................................................................... 14276
Second Reading........................................................................................... 14276
A New Tax System (Family Assistance and Related Measures) Bill 2000
First Reading ............................................................................................... 14276
Second Reading........................................................................................... 14276
Child Support Legislation Amendment Bill 2000
First Reading ............................................................................................... 14277
Second Reading........................................................................................... 14277
A New Tax System (Fringe Benefits) Bill 2000
First Reading ............................................................................................... 14278
Second Reading........................................................................................... 14278
A New Tax System (Medicare Levy Surcharge—Fringe Benefits) Amendment Bill 2000
First Reading ............................................................................................... 14279
Second Reading........................................................................................... 14279
Therapeutic Goods Amendment Bill (No. 2) 2000
First Reading ............................................................................................... 14279
Second Reading........................................................................................... 14279
Customs tariff proposal No. 1 (2000) ............................................................... 14280
Telecommunications (Interception) Legislation Amendment Bill 2000
Second Reading........................................................................................... 14282
Third Reading.............................................................................................. 14286
Customs Tariff Amendment Bill (No. 1) 2000
Second Reading........................................................................................... 14286
Third Reading.............................................................................................. 14286
Crimes at Sea Bill 1999
Consideration of Senate Message................................................................. 14300
Corporations Law Amendment (Employee Entitlements) Bill 2000
Second Reading........................................................................................... 14301
Census Information Legislation Amendment Bill 2000
Main Committee Report .............................................................................. 14313
Third Reading.............................................................................................. 14322
Questions Without Notice
Telstra: Job Cuts .......................................................................................... 14322
Employment: Labour Force Figures............................................................ 14323
Telstra: Job Cuts .......................................................................................... 14324
CONTENTS—continued

Economy: International Organisations ........................................................ 14326
Telstra: Sale ................................................................................................. 14327
Tax Reform: Rural and Regional Australia ................................................. 14328
Telstra: Services ........................................................................................... 14329
Workplace Relations: Reforms .................................................................... 14330
Nursing Homes: Sport Checks ...................................................................... 14331
Rural and Regional Australia: Telecommunications ................................... 14331
Nursing Homes: Spot Checks ...................................................................... 14332
Car Industry: Exports .................................................................................. 14333
Nursing Homes: Riverside .......................................................................... 14333
Work for the Dole: Participants ................................................................... 14334
Nursing Homes: Riverside .......................................................................... 14335
Immigration: Family Migration................................................................. 14335
Goods and Services Tax: ACCC Guidelines ............................................... 14337
Nursing Homes: Riverside .......................................................................... 14338
Education: Targets ....................................................................................... 14338

Questions to Mr Speaker
Goods and Services Tax: Seminar Fees....................................................... 14339
Personal Explanations....................................................................................... 14340

Questions to Mr Speaker
Native Title and Aboriginal and Torres Strait Islander Land Fund Committee ................................................................................................................. 14340

Questions on Notice .................................................................................... 14340

Answers to Questions Without Notice
Telstra: Services........................................................................................... 14340

Questions to Mr Speaker
Privilege ....................................................................................................... 14341
Questions Without Notice: Editorial Argument ........................................ 14341
Visitors Gallery: Pram Access ..................................................................... 14341

Papers................................................................................................................ 14341

Matters of Public Importance
Telstra: Services ........................................................................................... 14341
Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 3) 1999
Main Committee Report .............................................................................. 14351
Third Reading ............................................................................................... 14351
Bills Returned from the Senate .................................................................... 14352
Classification (Publications, Films and Computer Games) Amendment Bill 1995
Consideration of Senate Message ................................................................. 14352
Appropriation Bill (No. 3) 1999-2000
Appropriation Bill (No. 4) 1999-2000
Second Reading ............................................................................................ 14352

Adjournment
Child Support Scheme: Payments ............................................................... 14363
Macquarie Electorate: Disability Services .................................................... 14364
Australian Capital Territory: Facilities ........................................................ 14365
Dunkley Electorate: Defence Community Organisation............................ 14366
Rural and Regional Australia: Seniors Housing ......................................... 14367
International Women’s Day ........................................................................ 14369

REPRESENTATIVES MAIN COMMITTEE
CONTENTS—continued

Notice................................................................................................................ 14370

MAIN COMMITTEE HANSARD

Statements by Members
Mandatory Sentencing.................................................................................. 14371
Young Achievers ......................................................................................... 14371

Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 3) 1999
Second Reading........................................................................................... 14372

Census Information Legislation Amendment Bill 2000
Second Reading........................................................................................... 14388

Adjournment
Second Sydney Airport.................................................................................. 14390
Management of Business............................................................................ 14391
Minister for Health and Aged Care: Phil Noble and Associates ............... 14393
Minister for Aged Care............................................................................. 14394
Nursing Homes: Redcliffe Peninsula........................................................... 14394
Banking: Services and Fees........................................................................ 14395
Kings Cross, Sydney ................................................................................... 14396
Management of Business........................................................................... 14397
Aspley Rotary Club..................................................................................... 14397
Kedron RSL............................................................................................... 14397

Questions On Notice
(Question No. 1148)—International Year for the Culture of Peace............. 14399
(Question No. 1174)—Goods and Services Tax: Aboriginal and
Torres Strait Islander Commission ............................................................. 14400
Thursday, 9 March 2000

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

MINISTER FOR AGED CARE
Suspension of Standing and Sessional Orders

Mr BEAZLEY (Brand—Leader of the Opposition) (9.31 a.m.)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Minister for Aged Care coming into the House to explain the character of the letter from her Department to the Australian Federal Police, dated 29 February 2000 given that:

(1) it does not constitute a direct referral requesting the Federal Police to investigate specified cases, including the reference in the Aged Care Standards Agency’s second audit report to the fact that a dying patient had been bathed in kerosene; and

(2) the Minister yesterday told the House that ‘matters to investigate’ had been referred by her Department to the Federal Police.

Yesterday, the minister told this House she had referred these matters and she had not. She deceived this parliament.

Motion (by Mr Reith) put:

That the member be not further heard.

The House divided. [9.36 a.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes ............... 76
Noes ............... 65
Majority ............ 11

AYES


NOES


Question so resolved in the affirmative.

Mr CREAN (Hotham) (9.40 a.m.)—The buck stops with you. Just resign!

Motion (by Mr Reith) put:

That the member be not further heard.

The House divided. [9.41 a.m.]

Ayes............. 76

Noes............. 65

Majority......... 11

AYES

Abbott, A.J.
Anthony, L.J.
Baird, B.G.
Bartlett, K.J.
Bishop, B.K.
Brough, M.T.
Cameron, R.A.
Charles, R.E.
Downer, A.J.G.
Elsion, K.S.
Fahey, J.J.
Forrest, J.A *
Gambaro, T.
Georgiou, P.
Hardgrave, G.D.
Hockey, J.B.
Jull, H.
Kelly, D.M.
Lawler, A.J.
Lindsay, P.J.
Macfarlane, I.E.
McArthur, S *
Moore, J.C.
Nairn, G. R.
Nelson, B.J.
Nugent, P.E.
Pyne, C.
Ronaldson, M.J.C.
Schultz, A.
Secker, P.D.
Somlyay, A.M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.
Tuckey, C.W.
Vale, D.S.
Washer, M.J.
Wooldridge, M. R. L

NOES

Adams, D.G.H.
Beazley, K.C.
Breton, L.J.
Byrne, A.M.
Crean, S.F.
Danby, M.
Ellis, A.L.
Evans, M.J.
Ferguson, M.J.
Gerick, J.F.
Gillard, J.E.
Hall, J.G.
Hollis, C.
Irwin, J.
Kernot, C.
Latham, M.W.
Lee, M.J.
Macklin, J.L.
McClelland, R.B.
McLeay, L.B.
Melham, D.

Katter, R.C.
Kemp, D.A.
Lieberman, L.S.
Lloyd, I.E.
May, M.A.
McGauran, P.J.
Meylan, J. E.
Nehl, G. B.
Neville, P.C.
Prosser, G.D.
Reith, P.K.
Ruddock, P.M.
Scott, B.C.
Slipper, P.N.
Southcott, A.J.
Stone, S.N.
Thompson, C.P.
Truss, W.E.
Vaile, M.A.J.
Wakelin, B.H.
Williams, D.R.
Worth, P. M.

Albanese, A.N.
Bevis, A.R.
Burke, A.E.
Cox, D.A.
Crosio, J.A.
Edwards, G.J.
Emerson, C.A.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Gibbons, S.W.
Griffin, A.P.
Hoare, K.J.
Horne, R.
Jenkins, H.A.
Kerr, D.J.C.
Lawrence, C.M.
Livermore, K.F.
Martin, S.P.
McFarlane, J.S.
McMullan, R.F.
Morris, A.A.
Thursday, 9 March 2000

Ms Macklin—Mr Speaker, the Minister for Aged Care has misled this House. She has—

Mr SPEAKER—The member for Jagajaga has not been recognised.

Motion (by Mr Reith) agreed to:

That the question be now put.

Original question put:

That the motion (Mr Beazley’s) be agreed to.

The House divided. [9.45 a.m.]

Ayes............. 65

Noes............. 77

Majority........ 12

AYES

Adams, D.G.H. Albanese, A.N.
Beazley, K.C. Bevis, A.R.
Brereton, L.J. Burke, A.E.
Byrne, A.M. Cox, D.A.
Crean, S.F. Crosio, J.A.
Danby, M. Edwards, G.J.
Ellis, A.L. Emerson, C.A.
Evans, M.J. Ferguson, C.A.
Ferguson, M.J. Fitzgerald, J.A.
Gerick, J.F. Gibbons, S.W.
Gillard, J.E. Griffin, A.P.
Hall, J.G. Hoare, K.J.
Hollis, C. Horne, R.
Irwin, J. Kernot, C.
Latham, M.W. Lee, M.J.
Macklin, J.L. McClelland, R.B.
McLeay, L.B. Melham, D.
Mossfield, F.W. O’Byrne, M.A.
O’Keefe, N.P. O’Byrne, N.P.
Price, L.R.S. Quick, H.V.
Ripoll, B.F. Sawford, R.W
Rudd, K.M. Sercombe, R.C.G *
Sciacca, C.A. Smith, S.F.
Sidebottom, P.S. Swan, W.M.
Snowdon, W.E. Thompson, K.J.
Tanner, L. Wilkie, K.
Wilton, G.S. Zahra, C. J.

NOES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Anthony, L.J.
Bailey, F.E. Baird, B.G.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, B.K.
Bishop, J.I. Brough, M.T.
Cadman, A.G. Cameron, R.A.
Causley, I.R. Charles, R.E.
Costello, P.H. Downer, A.J.G.
Draper, P. Elson, K.S.
Entsch, W.G. Fahey, J.J.
Fischer, T.A. Forrest, J.A *
Gallus, C.A. Gambaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. Jull, D.F.
Katter, R.C. Kelly, D.M.
Kemp, D.A. Lawler, A.J.
Lieberman, L.S. Lindsay, P.J.
Lloyd, J.E. Macfarlane, I.E.
May, M.A. McArthur, S *
McGauran, P.J. Moore, J.C.

* denotes teller

Question so resolved in the affirmative.
Moylan, J. E. Nairn, G. R.
Nehl, G. B. Nelson, B.J.
Neville, P.C. Nugent, P.E.
Prosser, G.D. Pyne, C.
Reith, P.K. Ronaldson, M.J.C.
Ruddock, P.M. Schultz, A.
Scott, B.C. Secker, P.D.
Slipper, P.N. Somlyay, A.M.
Southcott, A.J. St Clair, S.R.
Stone, S.N. Sullivan, K.J.M.
Thompson, C.P. Thomson, A.P.
Truss, W.E. Tuckey, C.W.
Vaile, M.A.J. Vale, D.S.
Wakelin, B.H. Washer, M.J.
Williams, D.R. Wooldridge, M.R.L.
Worth, P. M.

PAIRS
Hatton, M.J. Kelly, J.M.
* denotes teller

Question so resolved in the negative.

ENVIRONMENT AND HERITAGE LEGISLATION AMENDMENT BILL 2000
First Reading
Bill received from the Senate, and read a first time.
Ordered that the second reading be made an order of the day for the next sitting.

FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT BILL 2000
First Reading
Bill presented by Mr Anthony, and read a first time.

Second Reading
Mr Anthony (Richmond—Minister for Community Services) (9.53 a.m.)—I move:
That the bill be now read a second time.

Schedule 1 of the bill amends the double orphan pension provisions of the Social Security Act 1991 to guarantee the rate of family allowance in relation to double orphans at the rate that was applicable at the time the child became a double orphan. This amendment is retrospective, applying to children who became double orphans on or after 1 July 1998.

In addition, the definition of a double orphan in subsection 993(2) of the Social Security Act 1991 is expanded to include the situation where one parent is dead and the other parent is a long-term remandee. At the moment, the definition only applies where that other person was serving a long-term sentence.

Schedule 2 amends the A New Tax System (Bonuses for Older Australians) Act 1999 to ensure that the disqualifying period for the self-funded retirees bonus ends on 30 June 2000 (rather than 1 July 2000), avoiding a one-day overlap with the revised income support provisions which commence on 1 July 2000 as part of the tax reform package.

The remainder of the bill contains a number of technical amendments to the Family and Community Services portfolio legislation, consisting of the repeal of redundant provisions and correcting various cross-references and minor drafting errors.

I present the explanatory memorandum to this bill.

Debate (on motion by Mr Martin) adjourned.

A NEW TAX SYSTEM (FAMILY ASSISTANCE AND RELATED MEASURES) BILL 2000
First Reading
Bill presented by Mr Anthony, and read a first time.

Second Reading
Mr Anthony (Richmond—Minister for Community Services) (9.56 a.m.)—I move:
That the bill be now read a second time.
This bill is a part of the government’s vision for a new tax system. It complements last year’s tax reform legislation and particularly the family assistance package provided pri-

Those acts have already made the huge contribution of reducing 12 forms of assistance, currently available through the tax and social security systems, to three new family assistance payments: family tax benefit part A, family tax benefit part B and child-care benefit.

The bill refines the existing legislation package: to clarify the operation of various aspects of the family assistance law; to replace regulation making powers with substantive provisions; to insert relevant savings and transitional provisions; and to make miscellaneous technical amendments. It also makes consequential amendments to other relevant legislation.

Furthermore, the bill adjusts some family assistance policies, including:

- to enable special benefit recipients who would otherwise not be eligible for family tax benefit or child-care benefit because of the residence rules to access those payments;
- to ensure that a person who has only shared care of a child is assessed for rent assistance at both the ‘with child’ and ‘without child’ rates and paid at the higher rate;
- to taper off the operation of the child-care benefit 10 per cent part-time loading that applies for care in long day care centres, to improve the treatment of customers using longer periods of care in a week;
- to provide the administrative infrastructure to support the payment of child-care benefit; and
- to improve the operation of certain debt related provisions.

Amendments are also made in this bill to increase the rates of CDEP participant supplement, pensioner education supplement and carer allowance by four per cent with effect from 1 July 2000. This increase will compensate recipients for the effects of the goods and services tax.

The bill also makes minor technical changes to the A New Tax System (Bonuses for Older Australians) Act 1999 to take account of the subsequent enactment of the Social Security (Administration) Act 1999.

I present the explanatory memorandum of this bill.

Debate (on motion by Mr Martin) adjourned.

CHILD SUPPORT LEGISLATION AMENDMENT BILL 2000

First Reading

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

Second Reading

Mr ANTHONY (Richmond—Minister for Community Services) (9.59 a.m.)—I move:

That the bill be now read a second time.

This bill ensures that Australia is able to fulfil its international obligations in relation to child support and spousal maintenance. In 1994, the Joint Select Committee on Certain Family Law Issues made recommendations about the international enforcement of child support liabilities. Existing international arrangements only provide for the recognition and enforcement of overseas court orders or agreements. That approach is now unsuitable as court orders are being replaced by administrative assessments in many countries. As a result of the proposed changes, administrative assessments of child support which have been issued by overseas authorities will also be enforceable.

By providing for Australia to become a party to three international agreements, new arrangements will be introduced and a number of the recommendations of the joint select committee will be implemented. The agreements oblige each country to provide in its laws for the recognition and enforcement of overseas court orders or agreements. That approach is now unsuitable as court orders are being replaced by administrative assessments in many countries. As a result of the proposed changes, administrative assessments of child support which have been issued by overseas authorities will also be enforceable.

Amendments are also made in this bill to increase the rates of CDEP participant supplement, pensioner education supplement and carer allowance by four per cent with effect from 1 July 2000. This increase will compensate recipients for the effects of the goods and services tax.

The bill also makes minor technical changes to the A New Tax System (Bonuses for Older Australians) Act 1999 to take account of the subsequent enactment of the Social Security (Administration) Act 1999.
enforcement of such liabilities. The relevant agreements are:

(i) the agreement with New Zealand on child support and spousal maintenance;

(ii) the Hague Convention on the Recognition and Enforcement of Maintenance Liabilities; and

(iii) a new agreement with the USA on the enforcement of family maintenance (support) obligations.

The amendments made by this bill provide for improved arrangements in respect of Australia’s international maintenance obligations. I present the explanatory memorandum to the bill.

Debate (on motion by Mr Martin) adjourned.

A NEW TAX SYSTEM (FRINGE BENEFITS) BILL 2000

First Reading

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

Second Reading

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (10.02 a.m.)—I move:

That the bill be now read a second time.

Government policy announced in A New Tax System in August 1998 is to improve the fairness of the FBT exemption for public benevolent institutions and the concessional FBT treatment for certain non-profit organisations (‘rebatable employers’).

At present, a public benevolent institution which is FBT exempt could remunerate employees totally in the form of fringe benefits. No tax would be paid by the employer and the employee would pay no tax. This concession is being overused.

The policy objective is to stop the overuse of these tax breaks. Both the opposition, in their 1998 election policy, and the Australian Democrats have also identified the need to limit this concession.

This bill will place a cap of $25,000 tax inclusive value on the level of concessional taxed fringe benefits that certain public benevolent institutions and rebatable employers can give their employees. However, the cap does not place a limit on the use of other FBT exempt benefits, such as superannuation, minor benefits of less than $100, laptop computers, work related mobile phones and other miscellaneous benefits. Further, the concessional methods of valuing certain benefits will also increase the total value of benefits that can be provided without breaching the cap.

The original announcement in A New Tax System was for a $17,000 cap. Following consultation with the charitable sector, the government has decided to lift this cap to $25,000. This represents a very concessional limit to the sector, as the benefits received by the majority of employees within this sector would be unlikely to exceed, and thus be affected by, the cap.

The cap that will apply to public hospitals and private not-for-profit hospitals will be $17,000. This is justified on competitive neutrality grounds, given that the public health sector represents a significant component of the health industry overall and competes directly with the for-profit health sector for qualified staff.

The government is determined to introduce greater equity to the rules for taxing fringe benefits, and these measures go some way towards having the same level of employees’ fringe benefits remuneration taxed to the same extent, while ensuring that public benevolent institutions and certain non-profit organisations retain a cost advantage over other employers.

The bill should make it easier for employers to attract and retain staff in remote areas because it will extend the fringe benefits tax exemption for remote area housing to all employers. Currently, only primary producers in remote areas are exempt from FBT on housing benefits provided to their employees. This is very good news for employers and employees in remote areas and builds upon the many FBT concessions that already apply to benefits provided to employees in remote areas. Also, the bill will remove primary producers’ liability for fringe benefits tax in respect of non-entertainment meals provided to their remote area employees on a work day.
Thursday, 9 March 2000

To ensure tax neutrality between fringe benefits and cash salary following the introduction of the goods and services tax system, the FBT gross-up formula is being adjusted to nominally recoup input tax credits allowed on fringe benefits provided to employees or their associates. Minor amendments are also being made to the GST law to ensure its proper interaction with the FBT law. Full details of the measures in this bill are contained in the explanatory memorandum, which I present to the House. I commend the bill.

Debate (on motion by Mr Martin) adjourned.

A NEW TAX SYSTEM (MEDICARE LEVY SURCHARGE—FRINGE BENEFITS) AMENDMENT BILL 2000

First Reading

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

Second Reading

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (10.07 a.m.)—I move:

That the bill be now read a second time.

The bill makes minor technical corrections to the New Tax System (Medicare Levy Surcharge—Fringe Benefits) Act 1999 to ensure consistency between the Medicare levy surcharge imposed under that act and the additional Medicare levy imposed under the Medicare Levy Act 1986. Full details of the measures in this bill are contained in the explanatory memorandum which I have presented to the House. I commend the bill.

Debate (on motion by Mr Martin) adjourned.

THERAPEUTIC GOODS AMENDMENT BILL (No. 2) 2000

First Reading

Bill presented by Mr McGauran, for Dr Wooldridge, and read a first time.

Second Reading

Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (10.09 a.m.)—I move:

That the bill be now read a second time.

This bill makes a number of minor amendments to the Therapeutic Goods Act 1989. The two main amendments will introduce new offences for dealing with counterfeit therapeutic goods, and clarify the operation of section 20 of the act that relates to the offence for the importation, exportation, manufacture and supply of unapproved therapeutic goods.

The measures included in the bill that address the deliberate manufacture and supply of counterfeit therapeutic goods give effect to the government’s response in 1997 to one of the recommendations arising from a review of the Therapeutic Goods Administration, conducted by KPMG. The review was commissioned following the government’s request that key aspects of Australia’s regulation of medicinal products be considered.

In its response to the KPMG review, the government recognised that the Therapeutic Goods Act should give consideration to the need to further promote the medicinal product industry, while fulfilling government’s duty to protect consumers. These aims are not incompatible, since the export of substandard therapeutic goods is both unacceptable from a public health perspective and also potentially damaging to the reputation of the Australian export industry generally, and the pharmaceutical industry specifically.

In his response to the KPMG review, the Minister for Health and Aged Care, Dr Michael Wooldridge, stated that the government considers it essential that Australia be a responsible member of the international community and should, as a signatory to World Health Organisation (WHO) Guidelines for the Development of Measures to Combat Counterfeit Drugs, ensure through its regulatory system that the production and export of counterfeit products is prevented as far as possible.

The proposed new offences dealing with counterfeit goods are in line with the WHO guidelines. These describe counterfeit medicines as medicines that are deliberately and fraudulently mislabelled with respect to identity and/or source. Counterfeiting can apply to both branded and generic products and under the WHO guidelines counterfeit products may include products with the correct ingredients or with the wrong ingredients, without active ingredients, with insuffi-
cient active ingredient or with fake packag-

Specific measures required under the WHO guidelines include that member coun-
tries promulgate legislation that regulates the manufacture, importation, distribution, sup-
ply and sale of drugs, thereby ensuring counterfeit drugs are prohibited by law; that gov-
ernments ensure that these drug control laws are enforced; and that member countries
should regard the counterfeiting of drugs as a serious offence and the judiciary be empow-
ered to impose harsh sentences in keeping with the nature of the contravention.

The other main amendment contained in the bill seeks to clarify the offence in section 20 of the act relating to the unlawful impor-
tation, exportation, manufacture and supply of unapproved therapeutic goods. This clari-
fication has been necessitated by recent judi-
cial comments and the decision of the High Court in the matter of Pan Laboratories Pty Ltd v. Director of Public Prosecutions.

Upon conviction of a sponsor of therapeu-
tic goods at a criminal trial, a District Court
judge held that the construction of this provi-
sion had a particular meaning, but on appeal
to the Supreme Court, Full Court (Court of
Criminal Appeal) by the accused, two Su-
preme Court judges held the provision could
be interpreted differently, and a third Su-
preme Court judge held it had yet a third
meaning. On appeal by the Crown to the
High Court of Australia to resolve the actual
meaning of the provision, the High Court
held that the remedy lay in an amendment of
the section, not in the appeal process.

The purpose of this amendment is to en-
sure that the burden of proof placed upon the
Crown in relation to establishing the offence
is clear and not open to such differing judi-
cial interpretations. The proposed amendment
makes it clear that the Crown must establish
that the accused intentionally imported, ex-
ported, manufactured or supplied the goods
concerned, and that the goods in fact were
not registered, listed, exempt or otherwise
approved.

An amendment has also been included to
provide an additional ground for the secretary
to remove therapeutic goods from the Aus-
trian Register of Therapeutic Goods. This is
where a sponsor of goods has published ad-
vertisements that are in breach of the Therapeu-
tic Goods Advertising Code and has failed to comply with a direction or require-
ment of the Complaints Resolution Panel to
remedy the breach. The Complaints Resolu-
tion Panel is established under the Therapeu-
tic Goods Regulations to deal with com-
plaints lodged by the public or members of
the industry about advertisements for therapeu-
tic goods that may be in breach of the adver-
sising code. Any decision by the secre-
tary to remove goods from the register is
subject to review by the Administrative Ap-
peals Tribunal. This proposed amendment
strengthens the co-regulatory approach
adopted by the government and industry in
the regulation of advertising of therapeutic
goods.

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

Debate (on motion by Mr Martin) ad-
journed.

CUSTOMS TARIFF PROPOSAL No. 1
(2000)

Mr SLIPPER (Fisher—Parliamentary
Secretary to the Minister for Finance and
Administration) (10.15 a.m.)—I move:


Customs Tariff Proposal No. 1 (2000), which
I have just tabled, contains alterations to the
Customs Tariff Act 1995 to impose an excise
equivalent duty on imported toluene, ben-
zene, xylene and mixed allylbenzene from
10 March 2000. These chemicals are classi-
fied to chapters of the Customs T ariff Act
other than chapter 27, which covers mineral
fuels.

These duty changes were announced ear-
lier this week by the Assistant Treasurer and
represent a prompt response by the govern-
ment to the latest scam involving the illicit
blending of fuel. It appears that dishonest
parties have responded to earlier successful
measures to combat petroleum excise evasion
by shifting their practices to the use of im-
ported toluene, a chemical product which is
subject to excise duties when manufactured
locally but which is presently duty free when imported.

The effect of this proposal will be to close off this avenue of illicit activity. At the same time, an excise equivalent customs duty is being introduced on chemicals which are similar to toluene such as benzene and xylene. While there is no evidence that these chemicals are presently being used in fuel substitution activity, there is the potential that this will occur, particularly if this duty is not imposed.

It is recognised that there are legitimate non-fuel users of the imported products which are covered by this proposal. These users should not be disadvantaged by measures which are designed to deal with those who seek to circumvent the system. Legitimate users will therefore be protected by the operation of refund and remission arrangements currently being implemented through a customs regulation. These arrangements will mirror existing Australian Taxation Office procedures under the Excise Act for domestically manufactured product.

A summary of the alterations contained in this proposal has been prepared and is being circulated for the information of honourable members. This action reflects the government’s commitment to respond quickly to prevent that illegitimate use of certain products to avoid excise on fuel.

I commend the proposal to the House.

Mr KERR (Denison) (10.18 a.m.)—I might make a few brief remarks before moving that this tariff proposal be adjourned. The adulteration scam has been a disgrace. There has been a lack of coordination between the affected departments—Treasury and Customs—and when the tax authorities closed the door in relation to the domestic production of these measures the door was left wide open for imported product with a sign saying ‘abuse here’, which has been taken advantage of to the disadvantage of the revenue. A scam worth millions of dollars has occurred and the government now seeks to congratulate itself on the basis that it is acting promptly. The truth is that it has left the door open to those who would wish to abuse the revenue and to damage the machinery that has been subjected to this adulterated fuel for some considerable time.

There has been massive confusion and misunderstanding between the departments. There have been conflicting press releases. It has been a disgrace and the shadow Assistant Treasurer, Kelvin Thomson, has repeatedly called on the government to address this matter. It is being addressed at the last minute with legislation in the House for debate on the customs legislation, which is supposed to close the door in relation to previous announcements on this matter. It required this announcement this morning in order that the government will not be humiliated in the coming debate prior to remedial action being taken. The way this is being done is of no credit to the government. Essentially, the matter should have been dealt with by some coordination between those authorities responsible for domestic excise and those responsible for customs so that the same regime applied in both instances.

To close the door on domestic potential for the scam but to leave it wide open in relation to imports was simply an obvious invitation for abuse. Imports did occur and we know that this matter has been the subject of considerable concern, debate and anger in the community. Those motorists who have been abused by the substitution and adulteration of their fuel will take no comfort from the manner in which this has been dealt with by the government. I move:

That the debate be adjourned.

Mr DEPUTY SPEAKER (Mr Jenkins)—In moving the adjournment, is the honourable member for Denison seeking leave to continue his remarks at a later day?

Mr Kerr—I am.

Mr DEPUTY SPEAKER—Is leave granted?

Mr Slipper—No, Mr Deputy Speaker. It is not surprising that the government rejects the allegations so falsely made by my colleague the honourable member for Denison seeking leave to continue my remarks at a later time.

Mr DEPUTY SPEAKER—Is leave granted?
Mr Kerr—I find it an extraordinary circumstance that leave has been denied in relation to the opposition continuing to draw attention to the public scandal that occurred and that the minister seeks leave to continue his remarks in the vein that he has.

Leave not granted.

Debate (on motion by Mr Martin) adjourned.

TELECOMMUNICATIONS (INTERCEPTION) LEGISLATION AMENDMENT BILL 2000

Second Reading

Debate resumed from 8 March, on motion by Mr Williams:

That the bill be now read a second time.

upon which Mr McClelland moved by way of amendment:

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

“whilst not declining to give the bill a second reading, the House:

(1) recognises concerns that the bill has the potential to impact on civil liberties; and

(2) is of the opinion that the bill should be referred to a relevant committee of Parliament for consideration and report, particularly with reference to:

(a) whether the new categories of warrants proposed in the bill are appropriate in the circumstances;

(b) whether the processes which are required to be observed for the granting of warrants adequately protect both the interests of individuals named in warrants and any third parties; and

(c) whether the processes of accountability for action taken pursuant to a warrant are appropriate”.

Mr KERR (Denison) (10.22 a.m.)—When the debate on the Telecommunications (Interception) Legislation Amendment Bill 2000 was interrupted by the adjournment last night, I was referring to a proposal that the government has put forward for the introduction of what are called ‘named person warrants’. Those warrants will facilitate law enforcement authorities to seek authorisation not to tap a particular named telephone service but to follow a person who is identified and to seek to anticipate what services they may, from time to time, be using and, without judicial authority in relation to a particular service, to tap any service that that person may be reasonably believed to be using.

The opposition understands why it is now quite difficult, in some circumstances, to be as effective in telephone interception as was hitherto possible. The reason for that is that new technologies have emerged which enable people, for example, to use a number of different SIM cards in the same mobile phone casing and to defeat the objective of the act by, in a sense, keeping one step ahead of law enforcement authorities, who under the present regime have to seek specific authorisation for each service that they wish to intercept. But when someone seeks to introduce a scheme such as the one being proposed, it is vital that we keep our attention on the civil liberties issues, which are also much to the fore. The reason why this is more important in relation to named person warrants than it might be even in relation to a specific intercept is that there is the potential for a wider circle of people’s phones to be the subject of interception. For example, the authorities may believe that a person whose telephone traffic they wish to intercept uses a series of services which belong to other people. If there is no proper accountability built into the system, there will be a large degree of increased breadth in the use of telephone interception and a larger number of people subject to it than has ever occurred in the past.

I indicated that other countries have not adopted regimes that are as open as the system that is being proposed by the government. For example, the United States has a considerably narrower way of dealing with this issue than the one the government is proposing, although they do have a system which enables them, in a sense, to follow a changing chain of telecommunications systems, as the government proposes, which I think they refer to as a ‘mobile wire tap’—or some such expression. One of the issues that I think the Senate committee would be interested in is whether we can have a system that at least ensures that, where intercepts are put in place following a named person warrant, there is a post-authorisation approval from the AAT or the Federal Court judge who authorised the warrant in the first place.
If it is conceded—and I think law enforcement has made a good case—that pre-ascertainment of the person who will be the subject of a warrant and the specific services that they are using is no longer an effective way of dealing with the issue and that it is increasingly difficult and getting in the way of effective law enforcement, then there may well be a better way of dealing with the larger concerns of civil liberties. Rather than have an ex post facto reporting regime which simply requires information to be provided months after an intercept has been put in place and transferred, it may be better to say that, where a new service is intercepted, there is an obligation to go back to the authorising authority and to seek, within a certain limited period of time, a retrospective authorisation for that interception, which, if not granted, would mean that the authority for that particular interception would lapse. That might give some greater comfort to those who fear that the incidental use of interception devices poses too great a threat to the larger privacy concerns that each of us as citizens holds dear.

Telephone communication interception is a powerful device for law enforcement. When I was Minister for Justice, I was repeatedly advised that it was one of the most effective tools in the armoury of law enforcement, and I certainly well understand why making certain that it is able to be used, and used effectively, is important. But I think that there is a natural community concern—one which most people in the Labor Party share—that we do not, in seeking to give appropriate powers to law enforcement, overstep the mark. Some would have concern knowing that before the strict regime that was put in place by the former government there were some instances which attracted considerable public controversy and brought discredit to law enforcement—instances in which people’s conversations were tapped, recorded and reported in the press in circumstances which were not authorised by law.

I suppose there is a natural concern that you would not want a system to evolve where, for example, there was a possibility that, whilst law enforcement officers might not have an appropriate case for the interception of a particular person’s phone, they may know that person has some connection with another who would occasionally use that service and they, in the guise of seeking an authority in relation to the person who is an occasional user of the service, actually seek to obtain a result which would have been formally prohibited by law. That would be a large extension of the regime, which I do not believe the government is seeking, that is potentially open as the legislation stands.

It may well be better to think of some post-authorisation regime that says that, whenever a warrant is issued that authorises the continual interception of a varied number of telephonic and telecommunication devices, each time a new interception does take place a proper record of that has to be made and submitted to the authorising authority—and that would be a Federal Court judge or a member of the AAT—the reasons for that given and that, unless given an approval within a particular limited period of time, the authority would lapse. That would mean that there would at least be continual and appropriate judicial or independent oversight of the operation of the intercept system, not at some period of months removed from the granting of the warrant or of the new interception but at a short period after that has occurred. That would keep it much more within the kind of framework that this parliament has previously seen fit to apply.

Whilst this is a most powerful and effective instrument of law enforcement, as everybody knows, telephone interceptions are also a powerful and effective means of intrusion into our privacy and most of us would not wish there to be any extension beyond that area which is appropriate for authorisation under the framework of laws that we have in place. If we have to recognise that new technologies no longer enable us to have confidence in a system that required pre-approval by a judge or a member of the AAT before any tap was put in place, it may well still be an appropriate response to say that subsequent uses of an interception device on another service or a series of services need to be reported to the authorising officers. This would be done within a limited period of time so that if there is any reason why those
services should not be tapped—the belief is not held by the judicial officer or the member of the AAT that there is an appropriate basis for that interception—those intercepts do not remain in place for some significant time before they are reported to the Ombudsman, the Attorney-General or such other reporting authority as may be the case. Of course, the fact that something is reported is no guarantee that action would be taken immediately in any case, so there may not be as effective a regime of supervision as this parliament would wish.

So that is the framework, for example, in relation to one of the particular matters that has been proposed in which the opposition has proposed a second reading amendment to enable this parliament to look more closely at the measures that the government has put forward and in recognition of the concerns that the bill does have some potential to impact on civil liberties. We want the opportunity to look at the new categories of warrant proposed in the bill to see that they are appropriate in all of the circumstances, to look at the processes that are required to be observed for the granting of warrants, to be confident that they will adequately protect both the interests of individuals named in the warrants and any third parties and to ensure that the processes of accountability for action taken pursuant to a warrant are appropriate.

I understand that the shadow Attorney and the Attorney have had discussions in relation to this matter going to a Senate committee and I understand that those arrangements are satisfactory from the point of view of both the government and the opposition. That is pleasing. These are matters which, in the parliamentary calendar, should be dealt with seriously, without heat where that is possible but with thoroughness, and I commend the Attorney for his willingness to entertain the approach of the opposition to this matter and I also commend the shadow Attorney for expressing the basis upon which the opposition has its concerns. Of course, all of us in this parliament will have the opportunity of mature reflection on the report of the parliament after the taking of all of the evidence that will come forward on this matter.

It may be the case that, as a result of that, some amendments are proposed which could improve the confidence the community has in the supervision of this new arrangement, which the opposition accepts is necessary in relation to new modes of technology, and the need to make sure that our law enforcement regimes are not allowed to fall behind the capacity of those who are engaged in criminal enterprises and that the effectiveness of the mobile and fixed line telephony interception system is not undone by those changes to the way in which the business of telecommunications are done now. Equally, we would need to make certain that we do have in place a very thorough and adequate regime to protect the interests of those who have legitimate concerns about their privacy and who would not have been previously, under the existing legislation, the subject of telephone interception in relation to the services they operate. With those remarks I close and look forward to the report of the committee and to further discussions should that committee propose additional measures in relation to the proposals the Attorney has put forward.

Mr Williams (Tangney—Attorney-General) (10.37 a.m.)—In winding up the debate on the Telecommunications (Interception) Amendment Bill, I thank the members for Barton and Denison for their contributions and in particular for their insights into the need to ensure that our national security and law enforcement agencies have the necessary powers to be effective in the face of rapid technological change in the telecommunications industries, while at the same time ensuring that human rights are not compromised. I also thank the members for Hindkler and McPherson for their acknowledgment of the legitimate needs of law enforcement agencies in order to be able to fight serious crime, particularly crime related to drug trafficking, which is the essential objective of this bill.

I now turn to some of the issues raised in debate. The member for Barton raised a concern about the capacity for independent oversight bodies to cooperate where intercepted information has been exchanged between agencies. The government would be pleased to have this considered by the Senate com-
mittee which will report on the bill. The members for Barton and Denison both referred to practice in the United States, which they saw as enhancing the protection of individual privacy and in particular the privacy of innocent third parties who might be incidentally caught in an interception under a named person warrant. I assume that they were referring to the practice known as minimisation, where only the communications of the named suspect are intercepted. While I appreciate and support their concern to protect the privacy of innocent individuals, I do not think that the practice of minimisation provides the answer in Australia. The practice of minimisation imposes great costs on intercepting agencies because all interceptions must be monitored in real time. Also, it is not appropriate in modern digital and multimedia communications. Often it is necessary to record and process the whole communication before its content can be analysed. Minimisation belongs to the days of headphones and tape recorders.

The most significant defect of minimisation is that it gives criminals a means of frustrating legitimate investigation. Criminals may use associates to commence a call and then take it over when interception has ceased. The purpose of the bill is to prevent criminals from evading investigation of their activities. I note too that the United States has recently amended its legislation to change the criterion for a roving wire-tap from proven intention to thwart interception by changing services to showing probable cause that the suspect’s action could have that effect. This, in essential effect, is similar to the test proposed in this bill for the issue of named person warrants. The solution to the issues raised by the members for Barton and Denison already exists in the interception act. The act prevents the disclosure of any intercepted information which is irrelevant to an investigation and, ultimately, all original records of such material must be destroyed.

I now turn to the second reading amendment moved by the member for Barton. As I have already said, the government appreciates that many people are concerned about the privacy implications of telecommunications interception. It has always been our foremost objective, when dealing with these issues, to achieve on the one hand the right balance between the public interest in effective law enforcement and national security and, on the other, the privacy of individuals. This is why the bill contains more stringent criteria for the issue of named person warrants and additional reporting requirements. For example, before issuing a named person warrant to a law enforcement agency, the judge or member of the Administrative Appeals Tribunal 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. Similarly, the Attorney-General must be satisfied of the same criterion before issuing a named person warrant to the Australian Security Intelligence Organisation.

After the expiry of a named person warrant, the agency concerned will be required to report certain specified information to the minister responsible for interception matters, including a list of the services which are intercepted under the warrant and, in the case of law enforcement agencies, the reasons why it was ineffective to use a telecommunications service warrant. This additional reporting requirement will facilitate the existing scheme in the legislation for ministerial oversight of agencies intercepting activities. In addition, ASIO’s warrant activities are subject to audit by the Inspector-General of Intelligence and Security. The bill therefore already makes extensive provision to protect individual privacy. Nevertheless, the government supports the referral of the bill to the Senate Legal and Constitutional Legislation Committee, and discussions for that purpose have already taken place.

The member for Denison has suggested a system whereby agencies must go back to the AAT member or judge who issued the warrant for a subsequent or ex post facto authorisation whenever a new service is to be intercepted. This, in effect, is little different from having to obtain a new warrant for each new service to be intercepted. In the government’s view, it would be operationally unworkable. It would not overcome the problems this bill addresses. The reporting regime supports
ministerial oversight, which is one of the most important accountability measures.

I believe this bill is crucial for law enforcement and for our national security. As I have said before in this House, law enforcement and national security agencies have fallen behind the rate of technological change in the telecommunications industry and are increasingly at a serious disadvantage in combating major crime or threats to national security. The current warranting regime in the Telecommunications (Interception) Act 1979 is now 20 years old. It does not allow those agencies to target the activities of criminals and terrorists who are using new generation technologies to conceal their identities and to otherwise frustrate the interception of their communications.

Criminal activity in Australia is becoming more sophisticated; therefore our law enforcement and national security agencies should be equipped with the most sophisticated and effective investigative tools available. The amendments do not represent an unreasonable or inappropriate extension of interception powers. Rather, the new forms of warrant and other amendments proposed in the bill will preserve the agencies’ ability to carry out their responsibilities by ensuring that the law keeps pace with modern technology and with administrative changes throughout the country. The new warrant provisions achieve the right balance between the community’s expectations that the police and ASIO can cooperate with full and adequate powers and civil liberties being properly protected. The government will not be supporting the opposition’s second reading amendment on the basis that the interests it seeks to enshrine in the resolution of the House are already put into effect, either in the text of the bill itself or in the arrangements that have been made for a committee inquiry. I commend the bill to the House.

Amendment negatived.

Original question resolved in the affirmative.

Bill read a second time.

Third Reading
Leave granted for third reading to be moved forthwith.

Bill (on motion by Mr Williams) read a third time.

CUSTOMS TARIFF AMENDMENT BILL (No. 1) 2000
Cognate Bill:
EXCISE TARIFF AMENDMENT BILL (No. 1) 2000

Second Reading
Debate resumed from 17 February 2000, on motion by Mr Slipper:

Mr KELVIN THOMSON (Wills) (10.47 a.m.)—I move an amendment to Customs Tariff Amendment Bill (No. 1) 1999:

(1) condemns the Government for its inaction on the dangerous practice of fuel substitution and in particular, for allowing the Australian Taxation Office to cease random testing of fuel;

(2) notes that fuel substitution is a dangerous practice that reduces engine performance, leads to total breakdown of engines, defrauds the Commonwealth of millions in revenue and harms the environment;

(3) in line with the Government’s statements in 1997 and 1998, notes that the Commonwealth Parliament has a responsibility for ensuring that fuel substitution does not occur, including the testing of retail fuel; and

(4) calls on the Government to take immediate action to ensure that the activity of fuel substitution is brought to an end”.

This House should condemn this government for its inaction in abandoning fuel substitution inspections and, as a result, forfeiting revenue, increasing air pollution and jeopardising engine performance and safety. In 1997 and 1998 the federal government announced, with considerable fanfare, that it was taking action to stamp out the problem of fuel substitution. On 30 January 1998, a press release came forward from the government. It said:

The Minister for Customs and Consumer Affairs, Warren Truss—
back in those days, the Howard government had a minister for consumer affairs—
has today announced a major nation-wide crackdown on fuel-substitution rorts which avoid paying customs or excise duty.
Apart from avoiding duty, the use of fuel substitutes can be dangerous.
The effects of substitute fuels have included reduced engine performance, clogged fuel injectors and even total breakdown of engines.

Minister Truss gave us a definition of what it was that the government was attacking. He said:

Fuel substitution is the use of non-transport fuels, such as heating oils, kerosene, solvents or light crude oils, which attract lower duties, as transport fuels such as diesel and petrol.

Note that: diesel and petrol. He went on:
The Federal Government is implementing strict new laws ... to combat the loss of revenue and stamp out dangerous and illegal practices resulting from fuel substitution.
From tomorrow, operators face penalties of up to $50,000 if they are caught in fuel substitution rorts.

... ... ... ... Customs officers will be able to enter premises ... to audit records and test fuels...
Clearly, one could be forgiven for thinking that the Customs department was going to act to combat fuel substitution. The government had expressly acknowledged its responsibility and it undertook responsibility for stamping it out. We in the opposition supported their legislation, and we went so far as to congratulate them on it. In September 1997, Ralph Willis, the then member for Gellibrand, in a debate on the fuel substitution legislation told the House:
I also note that in the budget the government has also provided additional resources to the Customs Service to enable it to monitor the scheme, to investigate where fuel substitution is suspected and to take necessary action against offenders. That is very much supported by the opposition in order to make sure that the scheme is effective.

Our then shadow minister, the member for Cunningham, Steve Martin, said in debate:
Minister, I was just singing your praises for the budget initiative last night with respect to the crackdown on dangerous fuel substitution. Now that you are here, let me congratulate you, face to face.
The member for Cunningham is well known for his generosity of disposition, and he accepted the government at face value. What is it that the Prime Minister always says in question time about not being prepared to accept allegations or statements of fact from members of the opposition at face value? I am afraid that the member for Cunningham and the rest of us in the opposition need to adopt the same kind of scepticism.

So what happened after all that fanfare? Recently I got a tip-off from within the Public Service. What happened is that, in November 1998, after the federal election, Customs excise functions had been transferred to the Australian Taxation Office. This had happened as part of the government’s preparations for the introduction of the GST—its changes to diesel excise arrangements. It was alleged to me that the Australian Taxation Office was interested only in collecting excise and had done away with inspections for fuel substitution. Indeed, it was further alleged that seven Nissan Navara trucks, which had been bought by Customs and fitted out with fuel substitution detection equipment at a total cost of anything up to $100,000 per vehicle, had been offered for sale for amounts of less than $20,000. In short, the government’s fuel substitution effort has disintegrated—staff gone, vehicles gone, inspections abandoned; another victim of the government’s two-year obsession with the GST.

I will come to Senator Kemp later in more detail, but one of Senator Kemp’s lines of defence for this scandalous state of affairs was that the fuel substitution groups—there was one in every state, except the Victorian unit also covered Tasmania—were wound up because they had solved the fuel substitution racket and were not needed anymore. The revelations by New South Wales Fair Trading Minister John Watkins and also Liberty Oil, which were supported by the Australian Institute of Petroleum and by motoring organisations, indicate that the opposite is the case: the fuel substitution problem has become
worse than ever. By sheer, but perhaps fortunate, coincidence, on the day that I passed my concerns to the 7.30 Report about this government abandoning fuel substitution, New South Wales Minister John Watkins revealed that his department’s test had uncovered six service stations which had toluene added to ordinary petrol—in one case at amounts of up to 60 per cent. Toluene is commonly used as a paint thinner. Its presence in engines is highly dangerous. The day after my allegations went to air on the 7.30 Report, Liberty Oil announced that in Melbourne 30 to 40 service stations were selling petrol diluted with toluene. Ship tankers of toluene have been arriving in Melbourne every four to six weeks. That fuel is being used to fill petrol tankers which arrive at storage depots like Coode Island only 50 per cent filled with petrol.

All of this is alarming enough but what is even worse is that the federal government was told about it—that is, at the very time it was scattering the fuel inspection service to the four winds it was being alerted to this problem. Liberty Oil first raised this problem with the government some 18 months ago. Liberty Oil went to Customs officials, to Minister Vanstone and then to Senator Kemp and the tax office. I have a letter dated 22 June 1999 from Liberty Oil to Senator Kemp, which enclosed a copy of the letter sent to the Minister for Justice and Customs, outlining their concerns over the significant tax and excise avoidance practice within the oil industry. That letter says:

Despite bringing this practice by unscrupulous operators to the attention of relevant departments, for a number of reasons, one of which is the crossover of responsibility between the Australian Customs Service and the Australian Taxation Office, no effective preventative action has been taken. Given the scale of this avoidance we respectfully request your urgent attention and assistance.

The letter to Senator Vanstone is dated 16 June 1999. It goes for four pages, and it really rams home the point. I quote:

I would like to bring to your attention the well-known and widespread ongoing excise avoidance practice within the oil industry that continues to flourish and which remains unhindered.

Not only is there a continuing loss of excise duty sustained, estimated to be in excess of $300 million annually, but also there is an ongoing potential health risk together with a real risk of mechanical damage to consumers’ property arising from the widespread practice of mixing solvents with motor fuels. The further possibility of carcinogenic substances entering diesel and motor fuels sold to the public exists.

Despite our continuing concerns, and following meetings held with the Australian Customs Service, we remain unconvinced that the Government has the intention to or has provided the necessary resources and means to actively prevent these practices from continuing to occur and expand.

The letter set out for the ministers the various fuel substitution scams. It said:

Briefly the primary recognised methods of avoiding excise are as follows:
1. Solvents and Heating Oil on which no excise has been paid is mixed with duty paid unleaded petroleum or diesel in an uncontrolled environment.

So the very first scam it mentions is solvents. This is most significant. Senator Kemp has been claiming that the toluene problem has only recently been drawn to his attention, yet that is just what toluene is—a solvent. The letter goes on:

In the past, Liberty has provided extensive information of breaches to the appropriate departments, requesting that immediate action be taken. And the letter describes how Liberty went into private detective mode. It says:

On Tuesday 1st June 1999, Liberty arranged for fuel to be purchased from six separate retail petroleum sites in Sydney. Market fuel was found in five of the six samples as taken utilising the ‘Mortrace Detection Kit’.

On telephoning the Australian Customs Service senior manager and endeavouring to make samples, results and addresses of these tests and sites available to your department, we were informed by the senior manager of the investigative unit that the particulars of samples taken and addresses of sites concerned were not required from us. In short, we were further advised that in due course our information and complaints would be directed to a department in the Australian Taxation Office where matters of petroleum excise would be handled as and from 1st July 1999.
They were also told that the transfer of the related investigations branch, staff and resources to the Australian Taxation Office was planned to occur on or about 1 July 1999. Liberty also carried out four tests on sites in the Melbourne metropolitan area, the results of which all displayed marker. Liberty went on to say:

Liberty and other legitimate businesses are unable to effectively compete with unscrupulous operators, who are able with apparent impunity to mix any product with motor fuels irrespective of health or tax concerns and able to illegally source fuel at a cost far below the legal tax paid rate.

Meetings with relevant senior officers clearly indicate that the service is under-resourced, is prevented from taking appropriate action by poorly-drawn regulation which requires immediate and urgent change, and is in the midst of a move from Customs to Taxation Offices which is permitting inadequate accountability.

This was electric stuff. It ought to have registered with this government red flashing lights and alarm bells, but this government was not interested. Minister Vanstone responded, ‘Minister Kemp is doing it.’ Minister Kemp, asleep at the wheel, allowed the Taxation Office to abandon inspections. No action was taken. The New South Wales Minister for Fair Trading, John Watkins, got the same response. In the middle of last year, he alerted the Minister for Justice and Customs, Senator Vanstone, to fuel substitution rorts involving diesel. When she did nothing, he wrote to Treasurer Costello in November last year. When he too did nothing, in desperation—and to his credit—Minister Watkins carried out inspections of his own, with the results that we are all now aware of.

There is a serious fuel substitution issue here, not just a theoretical debate. I was contacted by a man who used to drive tankers for Shell. He used to deliver to, among other stations, the Burmah Petroleum Co. When he delivered to their sites, however, he was ordered to arrive at a particular time. At the arrival time, an agent would turn up with a solvent such as toluene, and the two fuels would be put into the station’s tanks together. That timing issue was very important. On one occasion, several years ago, a petrol tanker broke down and did not make it to the Burmah service station in Ballarat Road, Sunshine. The service station operator, apparently not being involved in it or understanding just what was expected of him, simply sold the toluene to motorists whose cars naturally enough broke down.

What has the government’s reaction been to these revelations? What has been its defence? First, we have the Assistant Treasurer, Senator Kemp—and he has been truly awful; the GST on high-rollers performance all over again: Elmer Fudd at his stumbling, dissembling worst. I do not personally think that Prime Minister Howard will get to swear in another ministry but, if he does, I will bet my proverbials it does not include Rod Kemp. But let us suspend disbelief and examine what he actually did say. First came his press release: ‘Watkins attack backfires’. It claimed that the federal government had stopped fuel substitution involving excise-free product. A day later, however, the ABC reported Minister Kemp was ‘holding urgent talks with Customs and the Taxation Office’. At the same time, the Prime Minister was announcing in Adelaide that the government would consider putting a petrol type excise on toluene. If Mr Watkins’s attack backfired and the problem was already solved, you would hate to see an attack that succeeded or a problem that was out of control. Then on the 7.30 Report Senator Kemp described this as ‘a new problem; it’s a problem which has arisen recently’. That was just total nonsense. Minister Truss had correctly defined the fuel substitution problem: passing off low excise non-transport fuels as the high excise transport fuels petrol and diesel.

What Assistant Treasurer Kemp was attempting to suggest was that this kind of fuel substitution—the use of toluene—was new. Well, it is not, as the Watkins and Liberty Oil correspondence clearly indicates. But even if it were, how ridiculous a defence is this? The government has put itself in a similar situation to a security firm hired to patrol and protect a bank from theft. If someone breaks into the bank vault from the back entrance, I do not think it saves the security firm’s bacon if they explain that, while they were not patrolling the back, they were doing a really excellent job of patrolling the front! The gov-
ernment’s job is to combat fuel substitution—not a particular kind of it—and to make sure that when we buy petrol or diesel that is what we are actually getting. When it was put to Senator Kemp that the government had stopped inspections altogether, he said, ‘Well, I would have to check on that.’ He literally did not know whether the Commonwealth was inspecting fuel or not. On the next day on the World Today when he was asked whether the trucks Customs had purchased could be used again to monitor petrol substitution, he said, ‘Those are issues that I will be exploring further with the Taxation Office.’ In other words, he still did not have a clue.

Let me make some remarks about Tax Commissioner Carmody’s press releases on this topic last week. Mr Carmody’s headings sound like a rebuke to claims made by John Watkins, Liberty Oil and me that the government has been asleep at the wheel concerning fuel substitution. But, if we look more closely, my concerns are confirmed. He says:

*Previous attempts to deal with this through the use of special chemical markers and testing involving a fleet of trucks had, in our assessment, proved ineffective.*

So he is admitting that the inspections stopped. What we want to know is: did the Taxation Office try to deal with this before they made the decision that these inspections were ineffective? If not, what did they do from November 1998? He also contradicts Senator Kemp who says that the trucks were used to deal with another fuel problem. In his press release of 1 March, he says that the action taken by the federal government has been ‘successful in stopping fuel substitution’.

So were the inspections ineffective, as claimed by Tax Commissioner Carmody? Not according to an answer given to this parliament in June 1998 by then Customs Minister Truss in response to a dorothy dixer in question time. He said:

*Now these concessional fuels have a chemical marker placed in them that can be detected in a simple test. I am delighted to be able to report to the House that these measures have proved to be very successful.*

He went on to say that the government was saving around $10 million a month already from this measure—considerably more than the $25 million per annum they have expected to save. He offered the view that it is clear that the practice of substitution has been more widespread than was previously thought. He said that $35 million worth of potential fuel fraud was under investigation. He concluded that:

*... this legislation is a clear demonstration that this government is tough on tax cheats, but it is also concerned about the safety and security of consumers.*

If that is not enough, let us have a look at the Australian Customs Service annual report for 1998-99. On page 67, it says:

*Investigation teams carried out 551 tests on distributors, service stations and transport operators during 1998-99. Of these tests, 52 indicated that the marker was present in the fuel.*

Fifty-two! Nearly one in 10 service stations or diesel depots is selling substituted fuel. You would think that the government would have realised that it had a massive problem on its hands and employed many more inspectors. Instead, Commissioner Carmody and Minister Kemp abandoned inspections. They gave a green light to the fuel substitutors. We now know that more than 20 million litres of toluene was imported into Australia during the past four months—more than the paint industry would use in a year—that tens of millions of litres of toluene has been put into Australian motor vehicles, that tens of millions of dollars in excise revenue has been lost and that car engines and public health have been put at risk.

Even worse, one of Mr Carmody’s press releases last week said:

*The Tax Office is not responsible for the quality of fuel, only for ensuring that the correct excise is paid. Consumer protection matters are the responsibility of the States and Territories.*

Let me again say that, back in 1997-98, the government’s budget papers indicated that they realised that these matters were their responsibility. They were not trying to buck-pass to the states and territories back then.
Let me quote from Budget Paper No. 2 at page 197:

The government will take measures to protect illegal blending and direct substitution of petroleum products.

To give full effect to the intent of Government policy, the Government will legislate to prohibit certain direct fuel substitution activities. Prohibiting direct fuel substitution activities is not just about collecting excise. But when Customs was administering this, they were very worried about the consumer issues. Remember all the fine words of Minister Truss about damage done to engines and air pollution, et cetera? Unfortunately, when excise was moved to the tax office, someone in the government forgot to tell the tax office about that part of the deal. And what is the tax office saying now? It is saying, ‘Don’t look at us, boys. All we do is collect tax.’ Now Mr Carmody’s position is, with the greatest respect, untenable. Either the tax office does reinstate the testing, which it is clear it has abandoned, or the excise function should be stripped from it. Unless action is taken, this is another avgas scandal in the making.

While we are on the subject of what should be done about fuel substitution, let me say I am some distance from being convinced that the government’s proposal to put a petrol excise on toluene is the answer. Labor will sympathetically examine any initiative or proposal which the government puts forward to deal with fuel substitution. We showed this in 1997 and 1998 when we lavished praise on the government for cracking down on rorts—praise which we can now see was undeserved. But we will look sympathetically at anything they put forward. But I am concerned that a petrol excise on toluene with a rebate arrangement would be cumbersome and unnecessarily burdensome on those who use toluene for genuine uses. Secondly, I cannot see why the government should not tackle this problem through an appropriate program of inspection and monitoring.

The day before yesterday the Deputy Leader of the Opposition, Simon Crean, received correspondence from Michael Hambrook, Executive Director of the Australian Paint Manufacturers Federation, urging Labor to oppose the government’s proposal to apply the fuel excise to toluene. This federation, which represents nearly all Australian paint manufacturers, said its industry should not have to bear the costs of Customs being unable to police their excise legislation. Of course, now we know it is the tax office rather than Customs which has the responsibility and which has dropped the ball, but his essential point is valid: the paint industry should not have to carry the can for this lack of policing. His letter states that applying for a rebate would impose a significant administrative burden on paint manufacturers, drycleaners, trade painters, and anyone else using petroleum-based solvents. He says the measure is only one of over 30 petroleum solvents which are currently being used to ‘cut’ petrol and diesel fuels. I believe Mr Hambrook and the Paint Manufacturers Federation are entitled to a full explanation of how the government’s measures are intended to operate, and assurances that they are not going to be burdened with government red tape, and I urge the minister to provide these assurances in his closing remarks on this debate.

Indeed, the government’s announcement raises many further questions. If the excise is going to be refunded to non-transport users almost immediately, as Minister Kemp’s release this week suggested, what is to stop unscrupulous operators substituting the toluene after they have claimed the rebate? Secondly, the Australian Automobile Association, which urged the government to drop its proposal to impose excise on toluene, describing it as costly and complicated, has described random testing by government as essential, yet the tax office has abandoned random testing. Next, why did the Assistant Treasurer try to fob this off as the responsibility of the states when this week’s announcement makes clear once again that it is indeed his responsibility? How much revenue was lost as a result of government inaction over the past 18 months? What became of the trucks purchased and outfitted by Customs to detect fuel substitution? What became of the fuel substitution units set up by Customs after they were transferred to the tax office?
Minister Kemp has completely failed to answer these questions when they were put to him in the Senate.

The one good thing about the announcement was that, after days of ducking and weaving, Assistant Treasurer Kemp has belatedly accepted his responsibility for tackling the fuel substitution scandal. Unfortunately, this only makes up the ground which has been lost since the tax office took over excise collection from Customs at the end of 1998 and promptly abandoned inspections for fuel substitution. Customs never doubted that it was responsible for policing fuel substitution. The government’s response, however, comes much too late, and only after the issue was raised publicly by the New South Wales Minister for Fair Trading, by Liberty Oil, and by me. This is a classic case of locking the stable door after the horse has bolted. It comes after 20 million litres of toluene was imported into Australia in the past four months—more than the paint industry uses in a year. It comes after tens of millions of dollars was lost in excise duty, and it comes after engines have been damaged and public health put at risk.

Liberty Oil has suggested that this rort has cost taxpayers $500 million. Even if the figure is something short of that it seems pretty clear that a thorough program of inspection and detection will not cost the government money; that it will save the government money. The bottom line is this: this government said it would crack down on fuel substitution. Instead, it transferred the relevant Customs staff to the tax office which has no inclination to do inspections and which dropped the ball completely. It did this in the teeth of warnings from Liberty Oil, New South Wales Minister John Watkins, the petroleum industry generally and motoring organisations.

As a result, the fuel substitution racket has not been stamped out. It has got worse. For this the government stands condemned. Once again, this government has been caught out, asleep at the wheel. It is the same old story of drift followed by mad panic, whether it be the botched implementation of the GST, or the administration of nursing homes, or the fuel substitution scandal, whether the problem is kerosene or toluene—this government is asleep at the wheel.

There is one other measure in this bill which I will refer to in the minute or two remaining to me. There are amendments which introduce a per stick rate of customs and excise on tobacco products that are marketed in stick form in order to deter lightweight cigarettes being produced. We have seen these proposals before. They were introduced in the form of customs tariff and excise tariff proposals gazetted on 11 November and tabled in the House on 25 November. They are expected to provide around $300 million in combined customs and excise duty. In subsequent years their full impact is expected to be $440 million in combined additional revenue.

The reason for implementing them is a concern that the previous arrangements provided a tax advantage for the marketing of a large number of lightweight cigarettes in large packets. It was argued that this in turn encouraged the consumption of high volumes of lightweight cigarettes, which health experts considered to be more harmful. These changes are designed to remove the tax advantage. The per stick arrangements are similar to those used in most countries where parent tobacco companies operate. So in addition the bill introduces a definition of tobacco which is favoured by tobacco producers and manufacturers as a means to reduce illicit tobacco production. Those proposals continue to be supported by the opposition, but we have moved a second reading amendment to the bill as a whole which I would encourage all members of the House to support.

Mr DEPUTY SPEAKER (Mr Nehl)—Is the amendment seconded?

Mr Kerr—I second the amendment.

Mrs MOYLAN (Pearce) (11.17 a.m.)—It is a good opportunity today, in speaking to this customs and excise legislation, to address the issue of tobacco products. One of the things this government has done very well is to listen to the concerns of those in the medical profession about the impact of the creative packaging of cigarettes on the health of young people in particular but on the public in general. Tobacco has been taxed since
by way of an excise duty levelled principally according to weight; in the case of cigarettes on the total weight of the actual cigarette.

Due to weight based excise, manufacturers over the years have become very creative about how they package cigarettes. They have been able to minimise costs by reducing the weight of each cigarette but packaging those cigarettes in larger packs. The taxation advantage of this type of packaging has skewed the consumption towards higher volume, lightweight cigarettes. This has been particularly bad news for young people and others in the community. It has been the subject of community debate for many years. There has been a lot of debate around the impact of this kind of packaging on the smoking habits of people in general but particularly on those of young people. Various health groups have argued—I think pretty convincingly—that price sensitive smokers were encouraged to smoke more because of these packaging methods.

Under the Howard government’s tax consultative task force, peak health and medical groups recommended to the government that they move to a per stick excise on cigarettes. There has been a call for this, as I recall, for many years. It has taken the leadership and the courage of the Howard government to make it happen. It does take courage and it does take leadership to make these kinds of changes, often with great pressure coming from the opposing forces. The government took notice of this call. The task force followed earlier findings by the National Health and Medical Research Council, which reviewed the weight based system, making a recommendation which was proposed by that earlier committee inquiring into the costs of tobacco related illnesses.

Those earlier inquiries happened under Labor but we did not see any leadership there. In response to the tilt by the member for Wills at the government being asleep at the wheel, it is far from that. He is probably mirroring his own party’s failure when they were in government. They certainly did not take action on many of these issues when they had that opportunity. It has taken the Howard government to grasp the nettle and to do something about this.

The change will increase the excise duty for certain tobacco products, particularly light tobacco cigarettes. If the intended effect becomes reality and consumer demand for cigarettes declines, this will have a very positive outcome, particularly for young people. It is sobering when you start to analyse some of the information available. It is very sobering indeed to consider some of the facts on children and smoking. These facts, some of which I will relate now, are provided by the Australian Council on Smoking and Health. They say in their literature that every year 70,000 teenagers become regular smokers and each day more than 500 Australian schoolchildren smoke their first cigarette. Each day 192 Australian schoolchildren become regular smokers—three times the number of people who die each day from diseases caused by smoking. Three-quarters of adults who smoke began the habit in their adolescent years. In Australia, if present smoking trends continue, 415,000 young people who are now under the age of 14 will die before their time because they smoked.

In Western Australia, despite strict legislation about the sale of tobacco products across the counter to children or young people under the age of 18, research has found that 54 per cent of young people under that age who are regular smokers actually purchase their cigarettes from a shop. There were similar findings in New South Wales, where 53 per cent of 15-year-olds who smoked regularly were purchasing their cigarettes from a shop, despite laws to prohibit the sale of cigarettes to minors. A fairly serious trend that should concern women—perhaps one that ought to have been raised yesterday on International Women’s Day—is that in Australia more girls than boys are taking up smoking. Research has found that in a week 28 per cent of 15-year-old girls and 25 per cent of 15-year-old boys smoke cigarettes. Sadly, the repercussions of young women smoking can have a serious impact on them in later life, particularly in fertility and reproduction.

The cost to the community and to individuals and their families is very high. Quite apart from the considerable pain and the great
trauma to individuals and their families, the financial cost of cigarette based health problems was estimated at $6.8 billion, according to a study conducted by Collins and Lapsley in 1988. That is the cost to the community in health problems related to smoking cigarettes. The financial cost to the community far outweighs the revenue that is raised. As a result of removing the taxation advantages, consumer demand for lightweight, high volume cigarette packs is expected to decrease. The higher price will hopefully act as a deterrent to smoking, particularly for young Australians. After so many years of denial in regard to the health risks associated with smoking tobacco, this is another very important initiative taken by the Howard government towards improving community health outcomes.

In the year 2000 it is really difficult to believe the denial of health risks by past governments and health services. In 1995, the federal Department of Health responded to a Senate Standing Committee on Community Affairs inquiry that ‘there was no basis’ for supporting a change to a per stick regime from a health perspective and that any such change would involve ‘considerable disruption to the tobacco industry.’ I think it is very hard to believe that these kinds of statements were made such a relatively short time ago in the face of considerable evidence to the contrary. So this is an important bill. The Excise Tariff Amendment Bill (No. 1) 2000 also introduces a definition of tobacco, to restrict access to tobacco leaf to registered growers, dealers and licensed manufacturers. This should curb illicit production and the avoidance of excise.

The Customs Tariff Amendment Bill (No. 1) 2000 addresses the issue of customs tariff in relation to a revised range of excise classes, removing categories of fuel which were being extensively used to evade excise, in particular, concessional categories relating to gasoline and diesel for use other than fuel. The government did introduce legislation in January 1998 to deter and detect fuel substitution activities. Apart from excise invasion, substitution disadvantages those who respect the law, and it also can destabilise the whole of the marketplace. It was important that the government act. Despite early hopes that the practice would cease completely, there were still indications that fuel substitution was occurring and that excise was being avoided. We have heard a lot about allegations about increasing amounts of toluene and xylene in petrol sold to the public. Apart from the avoidance of excise, there are other reasons why we ought to be concerned if that practice is indeed occurring. The loss of revenue is only one issue at stake here.

Some countries have been concerned about levels of air pollution and health risks from excessive use of aromatics in gasoline and have imposed regulations to limit these substances. These countries include the United States, Italy, Thailand and the Philippines. The Bureau of National Affairs in Washington DC published a discussion paper on additives in petrol, particularly toluene and xylene, in 1996. In this publication, the point was made that they had not yet clearly established links between aromatics and fuel system damage and that it was still being investigated. That clearly is a possibility and there were certainly reported cases that indicated there was a possibility of greater problems with older cars which were still using premium unleaded petrol. In New Zealand, people have made allegations that their vehicles experienced fuel system problems and that they might have a claim for compensation. I do not think the possible impact on engines and motor vehicle parts has quite the implications of the impact on public health from the additional pollution of these products. Nevertheless, it is selling to the public something that the public are not aware of. They are selling something that is being portrayed as something else, when this practice goes on. A number of European countries have introduced legislation to limit the amount of additives that can be put into fuel.

This is an important issue. It does bear investigating. I am pleased to see that the government has taken swift action to ensure that this practice is stopped. In Western Australia, for example, the West Australian newspaper did some random testing when these allegations first came to light and found that fuel sold in Western Australia had pretty much acceptable levels of these additives. This, of
course, is by no means a definitive study or test, and I guess we need to establish the facts around this issue so that action can be taken. But we have taken a very important step today to make sure that companies cannot put additives into fuels that should not be there. As I said, this is not just an issue of lost revenue; it also is a public health issue. Once again we have seen the government take the initiative, as it should, and move swiftly to ensure that what the public think they are buying is actually what they are buying. The state governments have a role to play here, too. Their state fair trading ministers also have to ensure that the motorists are protected under the state consumer protection laws. The states do have a responsibility to ensure that when consumers pay for petrol they are getting what the companies are purporting to sell them.

Motion (by Mr Slipper) put:

That the question be now put.

The House divided. [11.36 a.m.] (Mr Deputy Speaker—Hon. I.R. Causley)

Ayes........... 72

Noes........... 64

Majority........ 8

AYES

Abbott, A.J.
Andrews, K.J.
Bailey, F.E.
Barresi, P.A.
Billson, B.F.
Bishop, J.I.
Cadman, A.G.
Charles, R.E.
Draper, P.
Entsch, W.G.
Forrest, J.A *
Gambare, T.
Georgiou, P.
Hardgrave, G.D.
Hockey, J.B.
Jull, D.F.
Kelly, D.M.
Lawler, A.J.
Lindsay, P.J.

Macfarlane, I.E.
McArthur, S *
Moore, J.C.
Nairn, G. R.
Nelson, B.J.
Nugent, P.E.
Pyne, C.
Ronaldson, M.J.C.
Schultz, A.
Secker, P.D.
Somlyay, A.M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.
Tuckey, C.W.
Wakelin, B.H.
Williams, D. R.

NOES

Adams, D.G.H.
Bevis, A.R.
Burke, A.E.
Cox, D.A.
Crosio, J.A.
Edwards, G.J.
Emerson, C.A.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Gibbons, S.W.
Griffin, A.P.
Houe, K.J.
Horne, R.
Jenkins, H.A.
Kerr, D.J.C.
Lawrence, C.M.
Livermore, K.F.
Martin, S.P.
McFarlane, J.S.
McMullan, R.F.
Morris, A.A.
Murphy, J. P.
O’Connor, G.M.
Plibersek, T.
Quick, H.V.
Roxon, N.L.

May, M.A.
McGauran, P.J.
Moyle, J. E.
Nehl, G. B.
Neve, P.C.
Prosser, G.D.
Reith, P.K.
Ruddock, P.M.
Scott, B.C.
Slipper, P.N.
Southcott, A.J.
Stone, S.N.
Thompson, C.P.
Truss, W.E.
Vale, D.S.
Washer, M.J.
Worth, P. M.
Howard, J.W.  
Kelly, J.M.

* denotes teller

Question so resolved in the affirmative

Question put:

That the words proposed to be omitted (Mr Kelvin Thomson’s amendment) stand part of the question.

The House divided. [11.42 a.m.]

(Mr Deputy Speaker—Hon. I.R. Causley)

AYES

Abbott, A.J.  
Andrews, K.J.  
Bailey, F.E.  
Barresi, P.A.  
Billson, B.F.  
Bishop, J.I.  
Cadman, A.G.  
Charles, R.E.  
Draper, P.  
Entsch, W.G.  
Forrest, J.A.  
Gambaro, T.  
Georgiou, P.  
Hardgrave, G.D.  
Hockey, J.B.  
Jull, D.F.  
Kelly, D.M.  
Lawler, A.J.  
Lindsay, P.J.  
Macfarlane, I.E.  
McArthur, S.  
Moore, J.C.  
Nairn, G. R.  
Nelson, B.J.  
Nugent, P.E.  
Pyne, C.  
Ronaldson, M.J.C.  
Schultz, A.  
Secker, P.D.  
Somlyay, A.M.  
St Clair, S.R.  
Sullivan, K.J.M.  
Thomson, A.P.  
Tuckey, C.W.  
Wakelin, B.H.  
Williams, D. R.  

NOES

Adams, D.G.H.  
Bevis, A.R.  
Burke, A.E.  
Cox, D.A.  
Crosio, J.A.  
Edwards, G.J.  
Emerson, C.A.  
Ferguson, L.D.T.  
Fitzgibbon, J.A.  
Gibbons, S.W.  
Griffin, A.P.  
Hoare, K.J.  
Horne, R.  
Jenkins, H.A.  
Kerr, D.J.C.  
Lawrence, C.M.  
Levermore, K.F.  
Martin, S.P.  
McFarlane, J.S.  
McMulan, R.F.  
Morris, A.A.  
Murphy, J. P.  
O’Connor, G.M.  
Pibersek, T.  
Quick, H.V.  
Roxon, N.L.  
Sawford, R.W.  
Sercombe, R.C.G.  
Smith, S.F.  
Swan, W.M.  

AYES

Anderson, J.D.  
Anthony, L.J.  
Baird, B.G.  
Bartlett, K.J.  
Bishop, B.K.  
Brough, M.T.  
Cameron, R.A.  
Downer, A.J.G.  
Elson, K.S.  
Fischer, T.A.  
Gallus, C.A.  
Gash, J.  
Haase, B.W.  
Hawker, D.P.M.  
Hull, K.E.  
Katter, R.C.  
Kemp, D.A.  
Lieberman, L.S.  
Lloyd, J.E.  
May, M.A.  
McGauran, P.J.  
Moylan, J. E.  
Nehl, G. B.  

NOES

Albanese, A.N.  
Breton, L.I.  
Byrne, A.M.  
Crean, S.F.  
Danby, M.  
Ellis, A.L.  
Evans, M.J.  
Ferguson, M.J.  
Gerick, J.F.  
Gillard, J.E.  
Hall, J.G.  
Hollis, C.  
Irwin, J.  
Kernot, C.  
Latham, M.W.  
Lee, M.J.  
Macklin, J.L.  
McClelland, R.B.  
McLeay, L.B.  
Melham, D.  
Mossfield, F.W.  
O’Byrne, M.A.  
O’Keefe, N.P.  
Price, L.R.S.  
Ripoll, B.F.  
Rudd, K.M.  
Sciaccia, C.A.  
Sidebottom, P.S.  
Snowdon, W.E.  
Tanner, L.
Mr McMullan—You never said that.

Mr DEPUTY SPEAKER—I may not have said so, but that is where we were going. Then the parliamentary secretary moved that the question be now put. I will go back, if you like, to the original question. The question is that the bill be agreed to.

Motion (by Mr Slipper) put:
That the question be now put.

The House divided. [11.51 a.m.]

(Mr Deputy Speaker—Hon. I.R. Causley)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>Noes</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>64</td>
</tr>
</tbody>
</table>

Majority… 11

AYES

Abbott, A.J.                              Anderson, J.D.
Andrews, K.J.                              Anthony, L.J.
Bailey, F.E.                               Baird, B.G.
Barresi, P.A.                              Bartlett, K.J.
Billson, B.F.                              Bishop, B.K.
Bishop, J.I.                               Brough, M.T.
Cadman, A.G.                               Cameron, R.A.
Charles, R.E.                              Costello, P.H.
Downer, A.J.G.                             Draper, P.
Elson, K.S.                                Entsch, W.G.
Fischer, T.A.                              Forrest, J.A.
Gallus, C.A.                               Gambaro, T.
Gash, J.                                   Georgiou, P.
Haase, B.W.                                Hardgrave, G.D.
Hawker, D.P.M.                             Hockey, J.B.
Hull, K.E.                                 Jull, D.F.
Katter, R.C.                               Kelly, D.M.
Kemp, D.A.                                 Lawler, A.J.
Lieberman, L.S.                            Lindsay, P.J.
Lloyd, J.E.                                Macfarlane, I.E.
May, M.A.                                  McArthur, S.
McGauran, P.J.                             Moore, J.C.
Moylan, J. E.                              Nairn, G. R.
Nehl, G. B.                                Nelson, B.J.
Neville, P.C.                              Nugent, P.E.
Prosper, G.D.                              Pyne, C.
Reith, P.K.                                Ronaldson, M.J.C.
Ruddock, P.M.                              Schultz, A.
Scott, B.C.                                Secker, P.D.
Slipper, P.N.                              Somlyay, A.M.
Mr KERR (Denison) (11.56 a.m.)—This government is trying to run away from the flogging it so richly deserves for the irresponsible way it failed to close a loophole that reduces the revenue that this country is entitled to expect as the government’s first responsibility. The scam involves the addition to the fuel that we put in our petrol tanks of a high concentration of solvents that will still be able to enter this country duty free. This morning the Parliamentary Secretary to the Minister for Finance and Administration came into the House and introduced a new proposal which still needs legislative effect to deal with the loophole that the customs legislation we are debating today and about to pass left wide open. In other words, we had the embarrassment of this government seeking the House’s assent to legislation that failed to deal with the very issue that it said it is acting rapidly to address.

When the scam made possible by the government’s own incompetence and failure is examined, high costs will be borne not just in loss of revenue but in untold damage to the engines of motor cars belonging to thousands of ordinary Australians. It has robbed the taxpayer of millions of dollars in lost revenue and damaged the interests of thousands of Australian motorists. Reports claim that millions of litres of one of the solvents used, toluene, have been imported since November.

Mr Danby—Forty million.

Mr KERR—Forty million litres. The government has had a number of opportunities to put an end to the problem. It is reported that industry representatives, motor vehicle associations and others alerted the Treasurer, Customs and the Australian Taxation Office some 18 months ago. But, as we
saw with the aged care mess, when the petrol scandal reached the front pages of the press and became the subject of talkback radio, the government was then prompted into what it calls urgent action. But, sadly, what happened was not urgent action; it was confusion—a stunning display of misunderstanding of the issue and contradictory statements from government ministers led by the Prime Minister. On 3 March, the Prime Minister spoke on this issue on 3AW’s Neil Mitchell program. Besides the fact that even then he showed little understanding of where the problem lay, like his Minister for Aged Care he tried to blame others for his government’s failure; he wanted at least the Victorian and the New South Wales governments to share the blame. But he also said this:

Well we are examining urgently at a Federal level whether there’s any excise change that can be made in order to deal with people who are engaging in substitution ...

By that afternoon the Commissioner of Taxation, Mr Michael Carmody, who took over responsibility for excise from Australian Customs about a year ago, decided he would put the Prime Minister as well as the Treasurer right. He issued a press statement which said:

All complaints about excise evasion and related fuel substitution involving solvents and other products have been dealt with by the Tax Office. Not only that, they have been dealt with decisively and in a way that kills off abuse.

The commissioner’s words are crystal clear: there are no holes in excise that allow for fuel substitution and no-one is ripping off excise in the scam. But Mr Carmody then chose to shed some light on where the problem might lie. In fact, he pointed out where the problem was. He said:

Previous attempts to deal with this through the use of special chemical markers and testing involving a fleet of trucks had, in our assessment, proved ineffective.

And:

The practice of importing toluene as a fuel substitute appears to have arisen in response to our action—

that is, the Taxation Office’s action domestically—

to close off previous evasion practices. The Tax Office is now providing advice to the government on measures... that will take away the ability to import toluene for tax evasion and fuel substitution purposes.

If you look at it simply, the taxation commissioner was saying, ‘Don’t blame us. We’ve done our job. We’ve shut the gate on this scam.’ He was saying it is the importation of toluene that has allowed this to continue—

that is, Customs has not closed the gate on this scam—and he points to a lack of coherence in the government’s response. So,

as the shadow Assistant Treasurer said, we have the government boasting that they have the bank front doors bolted, barred and secured but they are pointing with a flaming arrow to the back door saying, ‘There it is. It’s wide open. Take advantage of it,’ and of course the scam operators had been doing that in truck loads.

We have had a couple of days in the Senate when Senator Vanstone, the Minister for Justice and Customs, tried to duck-shove the issue by saying it was still the Assistant Treasurer’s responsibility. She is about the only person left in Australia who did not see the flaming arrow pointing to the exact area where responsibility should be sheeted home and where the door was open. From an examination of the bills as all these issues took place, we know that the minister responsible for Customs, Senator Vanstone, insists that she is not responsible. In a sense I suppose one has to agree: she has often fallen short on responsibility. But we do find it difficult to find out what she is taking responsibility for.

It is just like Bronwyn Bishop: this is a government that takes no responsibility and, when a stuff-up occurs, nobody is prepared to shoulder the normal responsibility that you would expect of a minister to say, ‘I will take charge of this issue and find an appropriate resolution. I will accept responsibility to the degree that is appropriate for the faults that have occurred within my administration.’

This is a government that runs away from that responsibility. In this House it runs away from the pizzling that it should be getting from members—a long speaking list and what does the government do? It moves the
Excise used to be the responsibility of Customs and it resided with Customs. About a year ago the government moved excise to the Taxation Office. We make no criticism of that, but obviously this has led to a lack of coordination. In an area as important as customs and excise, where it has been long established that if you adjust one you have to adjust the other, this government has singularly failed. I will conclude by saying that we note the government has introduced further measures in a bid to close the loophole exploited by the shonks in the fuel substitution scam. We will be looking at the proposal and we hope that it will be the last bite of the cherry. But this has been an episode of singular failure, of a want of responsibility and now, worse, of a failure to face up to the responsibility that this set of omissions has caused in the parliament of Australia where ministers should be responsible for their conduct and actions.

Mr Kelvin Thomson—What is going on here is that the government is endeavouring to guillotine through legislation to avoid appropriate parliamentary scrutiny. If the parliamentary secretary believes that this arrangement covers both pieces of legislation, we will reluctantly acquiesce to that. But it ought to be put on record that we have many speakers and many issues to raise in the consideration in detail stage and those speakers really ought to have been entitled to speak and raise questions at that stage about the way the government has handled this issue of fuel substitution.

Third Reading
Leave granted for third reading to be moved forthwith.

CRIMES AT SEA BILL 1999
Consideration of Senate Message
Consideration resumed from 17 February.

Senate’s amendments—

1. Schedule 1, clause 3, page 13 (line 27), at the end of the definition of preliminary examination, add “or trial”.
2. Schedule 2, page 25 (after line 26), at the end of item 11, add:

3. For the purposes of this item, if an act or omission is alleged to have taken place between two dates, one before and one on or after the day on which this Schedule commences, the act or omission is alleged to have taken place before this Schedule commences.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.07 p.m.)—I move:

That the amendments be agreed to.
At the outset, I thank honourable members for contributing to the debate. This is an important measure to enhance the certainty and effectiveness of criminal laws in the seas surrounding Australia. The Crimes at Sea Bill 1999 was previously considered by this House on 6 December last year and was passed by the Senate with two minor government amendments on 17 February. The government amendments were necessary because of two minor changes to the agreed wording of the uniform scheme requested by the government of Victoria. Currently item 11 of schedule 2 to this bill preserves the application of the Crimes at Sea Act 1979 to acts or omissions occurring before the new scheme replaces the Crimes at Sea Act 1979. However, if the exact date of an offence is not known, the existing transitional provision could lead to uncertainty. For example, if an offence is believed to have been committed some time between 1 November 2000 and 16 December 2000, and the cooperative scheme enters into force on 1 December 2000, it would be unclear whether the offence was governed by the previous Crimes at Sea Act or the new scheme. The proposed amendment removes this uncertainty by providing that if an act or omission is alleged to have taken place between two dates—one before and one after the commencement of the cooperative scheme—the existing Crimes at Sea Act 1979 will apply.

The second amendment was to the definition of preliminary examination in clause 3 of schedule 1. The words ‘or trial’ are proposed to be added at the end of the definition. This is necessary because in Victoria, as a matter of form, a defendant is committed for trial rather than for sentence following a guilty plea. The Commonwealth, the states and the Northern Territory have worked together to develop this unified and uniform crimes at sea scheme. This new scheme will simplify the rules for determining the criminal law that applies to crimes at sea and will ensure more effective criminal law enforcement. Further, the intergovernmental agreement entered into by each jurisdiction will facilitate the effective enforcement of criminal law in Australian waters and will ensure the long-term success of the scheme. I commend the amendments to the chamber.

Question resolved in the affirmative.

CORPORATIONS LAW AMENDMENT (EMPLOYEE ENTITLEMENTS) BILL 2000

Second Reading

Debate resumed from 17 February, on motion by Mr Hockey:

That the bill be now read a second time.

Mr KELVIN THOMSON (Wills) (12.10 p.m.)—The Labor Party is very disappointed with the response of the government to the loss of employee entitlements issue. On 22 July 1999 the Minister for Financial Services and Regulation announced that the government would amend the Corporations Law to protect workers’ entitlements. Minister Hockey said in a press release of that date:

We will move quickly to amend the Corporations Law in the next session of Parliament so that Australian workers are better protected in the event that a company goes bust.

The government has failed to keep that promise. It has placed before parliament a bill which will do very little, if anything, to protect employee entitlements. The Corporations Law Amendment (Employee Entitlements) Bill is deficient in a number of regards and will not be effective in protecting workers’ entitlements or in assisting workers to recover lost employee entitlements.

The government has failed to take this opportunity to provide a real remedy to workers who lose their employee entitlements. The government has ignored the pain of employees who have lost their employee entitlements due to the failure of company directors to act appropriately in relation to those entitlements. We believe that the Corporations Law Amendment (Employee Entitlements) Bill is deficient in two regards: firstly, it fails to introduce amendments which will actually help workers to recover those lost employee entitlements; secondly, it fails to even achieve its stated modest aims. The primary focus of the Corporations Law Amendment (Employee Entitlements) Bill is to penalise...
directors. The Labor Party agrees that penalties may act as a deterrent for directors acting unscrupulously. The imposition of penalties does serve a role; however, the imposition of a penalty will not help employees. Employees need to be able to recover, where appropriate, lost employee entitlements from directors.

The bill also does not focus specifically on the protection of employee entitlements. The name of the bill we are debating today suggests that the government is attempting to protect employee entitlements. The very special position of employees requires that this be the case. Employees very often have only one source of income or have very little opportunity to diversify their income. The loss of employment and the loss of their entitlements can therefore have a very devastating effect on them. The Corporations Law Amendment (Employee Entitlements) Bill should give greater attention to the specific position of employees.

The bill also does not address the issue of employee entitlements prior to insolvency. The bill put forward by the government examines the situation only after a company has become insolvent. I would suggest that there may be a role for directors and employees to play before such a dire situation is reached. The bill is also deficient for more technical reasons. Because of these technical deficiencies, the government has not succeeded in achieving even its stated aims and objectives. For example, the new offence proposed in part 5.8A is not effective. That part makes it an offence for a person to enter into a relevant agreement or a transaction with the intention of, or with the intentions that include, preventing the recovery of the entitlements of employees of a company, or significantly reducing the amount of the entitlements of employees of a company that can be recovered.

Proving a director’s intention will be a very high barrier to any legal actions under the new part 5.8A. Proving intention is a subjective test—that is, the actual intention of the director will have to be proved. This is very difficult and will mean that actions under section 596AB will rarely be commenced and, if commenced, will rarely be successful.

This should be compared with the test in insolvent trading provisions. A director contravenes section 558G if a reasonable person in a like position in a company, in the company’s circumstances, would be aware that, at the time the debt is incurred, the company is insolvent or would so become insolvent. An objective test or reasonable person test is more likely to be satisfied than the subjective test of actual intention.

I understand that the government drafted the new section 596AB as a criminal offence, thus it was considered appropriate that the actual intention of a director be proved. However, because it is a criminal offence, not only must the actual intention of the director be proved but also it must be proved beyond any reasonable doubt. It was not necessary that section 596AB be drafted in that particular way. To compare again section 596AB with the insolvent trading provisions, section 588G is a civil penalty provision, which means not only is there an objective or reasonable person test but also that it needs to be proved on the balance of probabilities. A director can still be guilty of a criminal offence if it can be shown that the director contravened the provision knowingly, intentionally, recklessly, dishonestly or with the intention to deceive or defraud. This is provided for in section 1317FA, which applies if a civil penalty provision like section 588G is contravened.

We have to ask why the approach used in the insolvent trading provisions was not adopted in part 5.8A. The contravention of section 596AB could still be a criminal offence if breached with the requisite intention, but as a civil penalty provision employees would have a greater likelihood of succeeding in recovering compensation from directors. Worse still, however, the new offence in part 5.8A will actually let off honest but incompetent directors. Directors who act without the requisite intention but who are incompetent will not be captured by this offence.

I am not the first to suggest that honest but incompetent directors should be held liable for acting improperly. As long ago as 1883, it was recognised that it is not appropriate that honest but incompetent directors be excused
Thursday, 9 March 2000

Mr KELVIN THOMSON—Employee entitlements is really a very important issue and you really would think that the government, in accordance with the standing orders of this place, would be represented. In both of these sections certain elements have to be proved. One element is that a debt has been incurred. An un-commercial transaction may not be a debt. A bonus paid to a director less than a year before the company becomes insolvent may be an un-commercial transaction. It is not, however, a debt. An employee would not be able to, under the provisions of the Corporations Law, seek compensation from that director for any lost entitlements, even if it was proved that section 588G had been contravened.

The amendments to section 588G are of no assistance to employees who have lost their entitlements. The government has failed to deliver on its promises. The government should have considered other more effective means of protecting employee entitlements. Indeed, in a press release issued by the minister on 22 July 1999, it was stated that the government would consider making a company within a group pay the outstanding employee entitlements of another company in the same group.

This is not reflected in the bill that has been put before this parliament. This is an alternative that would have been easy to introduce. Indeed, the work has already been done. The Employment Security Bill was introduced by my colleague Mr Bevis, the shadow minister for industrial relations, on 13 May last year. The Employment Security Bill amends the Corporations Law to enable an application to be made to court for a related corporation to pay the debts of an insolvent company. This was an alternative that should have been considered. It should now be considered. Consideration should also be given to proposals to placing unpaid wages, annual leave and long service pay above the priority accorded to debts secured by a floating charge. This would be of more assistance to employees and is an alternative which the Labor Party would like to review.

The Corporations Law Amendment (Employee Entitlements) Bill 2000 also does not remove the barriers which currently exist for

Mr O’Connor—It’s a disgrace.
employees seeking compensation from directors who have contravened their duties and obligations under the Corporations Law. These barriers include the cost to employees of commencing legal action. That cost is often prohibitive. It is then even more prohibitive if the company liquidator wants to join the action and requires the employee to also fund his costs. Employees then still face the not inconsiderable evidentiary burden of demonstrating that the directors have engaged in insolvent trading or that their intention was to prevent the recovery of employee entitlements. The government has failed to recognise these difficulties in the legislation we are debating today. Another alternative which deserves consideration is making directors personally liable where they have not made proper provisions for wages, leave entitlements and superannuation. Parliament should examine how this could be done—whether by way of trust, insurance or some other type of provisioning—having regard to the implications for a company's cash flow of such provisioning. The Labor Party is open to reviewing all of the alternatives I have discussed.

This is a matter of grave significance to many workers. Unfortunately, many workers have already lost their employee entitlements. The protection of employee entitlements deserves greater attention and a more thoughtful approach which will result in measures which actually protect employee entitlements. The Labor Party agrees that the employees of National Textiles, Braybrook and Scone Fresh Meats deserved to know that directors could be found liable to compensate them for their employee entitlements. Where we disagree with the government is that these amendments are not an effective means of protecting workers' entitlements. The workers of National Textiles, Braybrook and Scone Fresh Meats deserve better. Employees need to be assured that directors will act properly to protect their entitlements. Employees need to be assured that they can recover employee entitlements lost due to the actions of unscrupulous directors. The bill put forward by this government does not provide employees with that assurance. As a result, I move the following amendment. I move:

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

'the House is of the opinion that the Bill is a most inadequate measure and condemns the Government for its failure to introduce measures to adequately protect employee entitlements'.

Having moved that, I will now make a few remarks about the situation which has arisen concerning National Textiles. I do not personally regard the Prime Minister as a corrupt person, and I know he is someone who values his own reputation very highly, but I have to say that I find it extraordinary that, in the four years of this government, of all the hundreds of companies which have become insolvent and the thousands of employees who have lost their entitlements over the past four years, only one company has received a 100 per cent taxpayer funded bailout—indeed, to this point, any taxpayer funded bailout—and that was a company which was chaired by the Prime Minister's brother. I find that a very unsatisfactory state of affairs.

I note that the member for Gellibrand is present in the House. I have had the opportunity to meet with some of the workers from the Braybrook textile company, which also became insolvent last year. Many of those workers were battlers—not particularly well off. Those workers missed out on their accrued entitlements. There seems to be no way in which the government can distinguish between the bailout which occurred in the National Textiles case and the Braybrook textiles case and indeed many other cases of companies becoming insolvent and workers missing out on their entitlements. Indeed, if we look ahead to the scheme that has been proposed by the Minister for Employment, Workplace Relations and Small Business of taxpayer funded support for employees who lose their entitlements due to company insolvencies, it provides for caps. It does not have a 100 per cent taxpayer funded bailout. There is only one company in this situation: National Textiles. As a piece of public policy, that is absolutely indefensible, and I am astonished, frankly, that the Prime Minister could have allowed himself to get into this situation.
I am also astonished that the bailout in relation to National Textiles was made contingent on a deed of arrangement. As writers in the *Australian* and the media generally pointed out, this involved a very high degree of government interference in the management of that company. Is it going to be the case when the government’s scheme concerning employee entitlements is finally through the parliament that further taxpayer funded bailouts to companies will be made contingent on them entering into a deed of arrangement? Of course, the deed of arrangement issue was significant because, as a result of the company not going into liquidation, the directors of that company, including the chairman of that company, were then free from the prospect of a liquidator coming after them for a whole range of potential offences and possibly personal restitution. So there was a great deal in it for the chairman of that company and the other directors not to have that company go into liquidation—not to have a liquidator appointed to examine the company’s affairs in detail, not to have the prospect of being struck off as a director.

Let me also say that the whole issue of employee entitlements is one that, in the last few years, has become the subject of much greater scrutiny by and concern to the parliament. Coming into this place, I have been aware of the work of the member for Prospect, Janice Crosio, who moved a private member’s bill during the life of the previous parliament, drawing attention to this issue and proposing one possible solution for it. All of us in the parliament owe the member for Prospect a debt of gratitude for having raised this issue with the vigour that she did during the life of the previous parliament. Labor representatives in this area, first the member for Canberra and then later the member for Brisbane, have moved private members’ bills which have put pressure on this government to address the issue of employee entitlements. The government has been saying that it is going to address the issue of employee entitlements. We have put up proposals which we believe would address the problem of employee entitlements. We urge the government, as we have been doing for some years, to act much more forcefully than they have been acting to date to address the issue of employee entitlements. Clearly, if workers are in the situation where they have been with particular companies for substantial periods of time, they can build up entitlements in the order of $20,000 or $30,000 and, in some cases, more. It is bad enough to lose your job, but not to get the accrued annual leave, superannuation and the like is most unsatisfactory.

On the subject of superannuation entitlements I have been aware in my capacity as opposition spokesperson on superannuation areas that the existing superannuation guarantee legislation gives companies a capacity to delay making superannuation guarantee payments for periods of up to 13 months. I think a significant problem arises with that: the companies make use of superannuation guarantee money, which is really workers’ money, instead of putting it aside into superannuation funds. Of course, if the company fails, then we have that superannuation money being lost. Labor took to the last election a proposal that superannuation guarantee payments be made quarterly. I believe there is a very strong case for the government to look at that and to introduce quarterly payments of superannuation guarantee. It seems to me that it would be a very neat fit, indeed, with the pay as you go system that the government is introducing as part of its GST legislation to have the superannuation guarantee payments made quarterly, at the same time as employers and companies comply with their other pay as you go obligations. If the payments were made quarterly, clearly you would not have the same build-up of superannuation obligations and the same risk that workers will miss out on large sums of money that occur now. Indeed, I think there is a case for us all to look at going beyond
quarterly to something like monthly superannuation guarantee payments. If we were to get something like monthly payments, then the amount of superannuation which could build up would be much less and the amount which might be left owing to workers as a result would be diminished accordingly. So I think the area of frequency of superannuation guarantee payments is something that the opposition and the government ought to be looking at, with a view to making changes to ensure that superannuation liabilities do not accumulate and that workers do not run the risk of missing that superannuation.

There are a number of other speakers on our side of the House who are keen to speak on this legislation, and I will therefore do what I can to provide that opportunity for them. It is highly regrettable that the government saw fit to gag debate on the previous legislation—an important piece of legislation. They did not want to be scrutinised in the area of fuel substitutions. I do not want to tempt them on this bill, and I hope that other speakers will have the opportunity, because there are speakers who have direct knowledge of workers in their own electorates who have experienced the difficulties that arise when companies become insolvent. I have proposed an amendment to the bill, and the Labor Party would hope that the House supports that amendment.

Mrs MOYLAN (Pearce) (12.35 p.m.)—I second the motion and reserve my right to speak.

Mrs MOYLAN—Those are the ACTU’s calculations, all right. I am just quoting. That is over the period that you were in government. It is a pretty appalling record that an organisation you are so closely linked with, which has done a study on this, has just been ignored. During Labor’s administration, the Hancock committee, which reviewed Australia’s industrial relations laws, had no reference in regard to lost entitlements and no initiatives were taken to establish a regime to protect employee entitlements.

Again under a Labor government, the Harmer report recommended that a guarantee fund to protect employee entitlements be established. The Labor government rejected this recommendation as well. In 1993 the Textile, Clothing and Footwear Union made an application to the Australian Industrial Relations Commission to introduce a trust fund to protect employee entitlements. But what did the Labor government do? Nothing. It vacillated over it and finally rejected it.

Then we come to Labor’s attitude to ILO convention 173 concerning the protection of workers. The convention was made in 1992 but, when Labor tried to ratify it in 1994, Labor’s laws did not comply. It was embarrassing for Labor to only be able to ratify half of the convention because part 3 of the convention, which dealt with the protection of employees’ entitlements through a guarantee fund, was not part of Labor’s policy. It was not even part of policy or practice in Australian law. In other words, throughout Labor’s terms of government their record was so bad that they could not even ratify the full ILO convention on employee entitlements, yet they lectured employers and the states on international industrial obligations. These people have come into this place today and carried on about our government, but our government has actually done something about it—and that is on the record. But the record regarding what Labor did in their terms of office is abysmal.
I go now to the accords. The accords struck between 1983 and 1990 never raised this issue. After eight accords there was a lukewarm statement in relation to employee entitlements. This morning we heard the member for Wills talk about sections of the act which he said were not able to effectively protect employees’ entitlements—I think he mentioned 588G—but in fact these were just lukewarm responses of the Labor government. Indeed, a couple of amendments were made, I think one in 1983 and one in 1992, but they have not had effect. Today, with the introduction of these amendments, the government is seeking to strengthen the Corporations Law so that those laws can have effect and so that the Australian public can at least have some measure of comfort that the laws put into place can operate for them.

Employees are owed millions of dollars and have gone without their entitlements because Labor refused to take any actions. This was happening in a climate also of unprecedented business failures after the former Labor Prime Minister’s pronouncements that ‘This is the recession we had to have’ and ‘This is as good as it gets’. Not only did they take no notice of the plight of employees losing their entitlements, but they also presided over a record number of insolvencies. So they have an extraordinarily bad record. They have nothing at all to get up in this House and crow about; nor do they have any right to make criticisms.

The lack of action on the part of former Labor governments had serious implications for employees in my electorate of Pearce. At about the time the government was ignoring the plight of employees, a number of people in my electorate were being put in that very situation with a company going out of business and a number of employees losing the opportunity to work. More importantly, they were walking away with nothing, some of them after 30 years of service to this corporation. The corporation today still owes something in the order of $700,000 to these people. They are just ordinary folk. Some of them were forced to sell their family homes. I think it is a pretty appalling situation. This particular case happened while Labor was still in office in 1995. These workers at a meatworks were left wondering about their futures when their company went into liquidation. It was eventually sold on to another company. Some of the employees returned to work and were promised that their accrued entitlements would be settled. But, five years on, 70 employees are collectively owed, as I said, around $700,000. On average these employees had worked for 15 years for the company; some had been there for as long as 30 years. For some it meant considerable heartache and pain.

I met with some of these employees just a couple of weeks ago before the House commenced sitting, and they told me that the assurances given on the sale of the business were that they would receive their entitlements. The employees have sought legal advice, and I think the liquidator has indicated that there were some breaches of the Companies Act in this case. They tell me that the matter has been referred to the Australian Companies and Securities Commission but that ASIC, unfortunately, is unable to act. I have yet to get to the bottom of that, but it would seem that the legislation passed under Labor was possibly not as effective as it could have been and that it will be very difficult to bring a case. So this legislation is now being strengthened. I have spoken to the minister about it and I will certainly be looking at the matter further. I do not have possession of all the facts in the case but it does appear that some companies—maybe not this one—clearly use up employee entitlements to run their companies, often accumulating and shifting assets into other people’s names with no intention of paying employees what they are owed.

When directors knowingly trade while insolvent, using employee entitlements, I believe it is tantamount to theft; it is theft of other people’s money or possessions and it should not be tolerated. Indeed, it should be treated as a criminal offence. We have passed laws to protect buyers’ deposit moneys when they enter into a real estate contract. If a real estate agent were to go out and use deposit moneys deposited in their trust accounts to operate their companies with, they go to jail. They do not collect $200, they do not pass go; they go to jail. And so they should, be-
cause they are dealing with other people’s money. They are not entitled to use that as operating capital. We have even got laws to protect people who buy holidays so that if the company goes broke they are not left high and dry. If we can protect these kinds of people we can protect the employees who are working for companies.

There are only a small number of directors in companies who engage in this practice, but we should be able to protect employees who are seen by some directors as fair game. These kinds of directors, I stress again, are a very small number. I do not think we should paint every director in every company in a bad light over this, but we have to be realistic and recognise that it is happening. We need to know the extent of it and we need to act. But there are some directors who are able to hide behind the screens of corporate structures. They manoeuvre and shuffle large amounts of other people’s money into their own pockets. When things collapse they go on holiday until the flak dies down. Very often you find them popping up somewhere else, coming back and starting this process all over again. This should not be tolerated. It should not be allowed to continue.

Although the amendments to this bill are not going to help my constituents who are still owed money from prior to this legislation taking effect, I am very relieved that the Howard government has taken positive steps to strengthen the law in relation to these activities and to put into place an employee entitlement support scheme. I personally would like to think that the scheme is only ever used in cases where a company becomes insolvent because of external factors. Again, not all companies that become insolvent are deliberately setting out to create a problem where employees cannot get their entitlements. Clearly a company does not set up deliberately to go broke, but there are situations where that happens. As I said, they are very few.

Many companies trading in a global marketplace have to deal with external factors outside their control. Clearly, these are not the kinds of people who should be targeted by this legislation. The employees of these companies should be able to have recourse to some funds in order to recover some of their payments, if not all of their entitlements. In other cases where the directors can be proven negligent in the management of the company’s affairs, they ought to be liable. The taxpayers of Australia should not have to foot the bill for criminal and unlawful activity on the part of some employers.

This bill will extend the existing duty on directors not to engage in insolvent trading to encompass uncommercial transactions. It will introduce a new offence to penalise persons who deliberately enter into agreements or transactions for the purpose of avoiding payments of employee entitlements. It will allow employees to claim court ordered compensation from people who breach the new offence where the employees have suffered loss or damage as a result. A successful prosecution for breach of the new offence can result in a penalty of up to 10 years imprisonment or a fine of up to $100,000 and directors may be held personally liable.

One of the common problems with company insolvencies is the practice of entering into agreements and transactions that make it difficult for employees to recover their entitlements. Those transactions and agreements can reduce the amount that the employee can recover. This bill is designed to make this illegal if intent can be proved. While the Employee Entitlements Support Scheme and the strengthening of the Corporations Law are important steps, the government recognises the need to examine other options such as an insurance based scheme. I understand the government is compiling data on the incidence of unpaid employee entitlements. This will inform the government of the extent of the problem and the future policy directions to fix it. I notice that the state government of Western Australia, my state, were concerned about this too. We need to be able to have some definitive way of measuring the extent of this problem before we can address some of the other issues that need to be addressed.

I want to make the point in this place that although black letter law is very important—that is undeniable and that is what we are about here—it really only becomes useful in the community if you can have successful prosecutions. When the government has
completed the compilation of data it also needs to have a look at the Australian Securities and Investment Commission’s capacity to more closely examine possible breaches of the act. People in the community need to be able to have confidence that the laws that we pass in this place can protect their interests and the interests of other innocent parties.

I would also be very keen to see a closer examination of the United Kingdom law that gives employee entitlements preferred status above other creditors. I believe that under the insolvency act in the UK employees’ wages and leave entitlements are given priority above floating charges but rank behind the liquidator and secured creditors. Our own state governments are examining the UK model. Although WA have not aligned themselves to this model, they do support further investigation of this particular element of the model, but it does need to be investigated. We should not put that into place without understanding some of the other issues around it. Perhaps if we were able to examine this some lenders would be a little more careful about continuing to fund the activity of companies that are on the verge of insolvency. That may save some of the entitlements of employees which, when such a company continues to trade, are quickly whittled away.

I commend the minister and the government for taking these important initiatives and cushioning the blow to employees with a decent safety net. That is a very important part of the measures that government has taken. The member for Wills should note that our government was looking at this long before the National Textiles case came to light. In July 1999, the Minister for Financial Services and Regulation announced that the Ministerial Council for Corporations had endorsed measures to strengthen the Corporations Law. They did examine this and make some recommendations, and the government has acted on those recommendations. In the meantime, workers in my electorate should at least have the satisfaction of knowing that ASIC are going to thoroughly investigate their concerns. Such an investigation may well provide a legal remedy to ensure the payment of all or at least some of the entitlements that have been outstanding to those employees for over five years. As I said, this government has taken action that will look after the interests of employees in the future, unlike Labor when they were in government who presided over a system that totally ignored the loss of employee entitlements for so many years.

Mr BEVIS (Brisbane) (12.54 p.m.)—The member for Pearce has once again demonstrated the old adage that a little bit of knowledge is a dangerous thing and, in her grasp, a particularly dangerous thing on this issue. I was moved by her reference to the United Kingdom and the laws that operate there and her suggestion that we might elevate workers’ entitlements above all other creditors other than secured creditors and administrator and liquidator’s fees. Well, the Labor government did that in 1993. We elevated workers’ entitlements above all other creditors including the tax office—including the government itself. We elevated workers’ entitlements above all other entitlements other than those secured creditors. If she is indeed interested in looking at what the government in the United Kingdom has recently done, she might like to have a look at what the current law says here in Australia. She might even like to have a look at what the Labor government actually did, because she was at pains to somehow try and blame the current situation on the former Labor government. I have been on the government benches when the government of the day has tried to blame former governments for its current problems, and I have to say that it wears thin. There are only so many years after you have been elected that you can trot that out. And time is up, I am afraid. That excuse does not work any more.

If you want to refer to what happened then, you have a bigger problem on the conservative side of politics. I encourage the member for Pearce to have a look at what her party and the coalition said during those years. She referred to the inquiry conducted by the Law Reform Commission. Thankfully, the leader of the National Party at that time, the Rt Hon. Ian Sinclair, put down in writing what was the National Party’s and presumably the coalition’s view. Given that govern-
ment members are no doubt going to want to play the same tune as the member for Pearce, it is worth recalling what he said. On 2 February 1988, when Labor was in office conducting an inquiry into this very matter, the Rt Hon. Ian Sinclair wrote to the Law Reform Commission and said:

The party’s concern, however, is with the philosophy of the paper rather than with the specific drafting techniques utilised in its appendix.

In other words, they had a fundamental problem with the entire approach of the Law Reform Commission and the Labor Party. We were trying to find some way through this. What level of bipartisan support did we get? We got a conservative coalition saying, ‘We don’t like the entire philosophy that underpins it.’ Mr Sinclair went on:

As a general comment, it may, I think, fairly be said that the recommendations of the Commission would involve a major overhaul of the laws relating to insolvency, leading to considerable legal and commercial uncertainty whilst the new principles were being worked out and applied with consequent significant costs.

The Rt Hon. Ian Sinclair thought this was a terrible thing that we would contemplate; that we would set the corporate world and insolvency laws on their head and it would be a terrible mess to unravel. He went on:

The paper reflects also what appears to be an a priori assumption on the part of the Commission that the Commonwealth should legislate to the fullest in relation to each grant of legislative power contained in the Constitution, irrespective of the practical problems which this would involve.

The commission was suggesting that we utilise all the powers available to us under the Constitution and the National Party and the Liberal Party said, ‘We don’t want you to do that.’ That sounded to them like a pretty dangerous thing. He said:

In my view, there is much to be said for the present demarcation between execution procedures consequent upon judgment which are now dealt with under the rules of the various courts which have pronounced judgments in bankruptcy.

That is, ‘Leave it alone. I don’t want to change the system.’ That is what he said in 1988. Just to make sure that we did not misunderstand, he concluded by saying:

I can see no justification in cost-benefit terms for establishing a debt counselling agency.

Get that. He was not even willing to support a debt counselling agency being established. You ought to have a look at what has happened during the last 15 years on that side of the parliament before you get up and read from those notes that your cabinet ministers have given you to recite off parrot fashion. Have a look at the actual facts of life. The actual facts of life are that the former Labor government made a number of changes, the most significant of which was to elevate workers’ entitlements above all other creditors except for secured creditors, and ahead of the government itself. We did that. At the time, it was not something the other side of the House thought we should do. We did that. Now, after we have had a litany of large companies going bust, the government comes in here seeking to lay blame for these recent things on the Labor Party.

There are a couple of other things that have happened in recent years. Since companies existed, companies have gone broke. There is no doubt about that. There is a new phenomenon that has developed in Australian commerce. It is a phenomenon that sees significant numbers of medium and large size companies becoming insolvent. That has not been a longstanding event in Australian corporate history. Not only are we seeing medium and large size companies becoming insolvent but they become insolvent without having put aside their workers’ legal entitlements. That is a new development.

Let me list for you the key high profile cases and the years so we understand the time frame in which this occurred: Grafton meatworks, December 1997; Cobar mine, February 1998; Woodlawn mine, March 1998; Austral Pacific, December 1988—780 workers there. Road mark road signs in Victoria, December 1998; the Oakdale mine, a very high profile case last year, May 1999; the Selwyn mine in Queensland, July 1999; Braybrook textiles in Victoria last year, August 1999; St Andrews Hospital inYep-
poon, Queensland, with 155 health care workers still battling to try to get their money, December 1997; National Textiles, of course, January of this year; Scone meatworks, this year as well. The simple fact is that this phenomenon of medium size companies going belly up without putting money aside for their workers is a historically new event that is made worse by this government’s compliance in its worst aspect.

Let me turn for a minute to that. Yes, companies will go broke with the best endeavours and the best will of all involved. Those things happen and we need to make provision for that. It is what this parliament should be doing. This bill does not. But there are examples of where companies have deliberately restructured their resources and corporate network to deprive workers of their entitlements. The classic case of that was the Patrick’s waterfront fiasco. In that fiasco, the company deliberately shifted funds and resources out of the firm that actually employed the workers. So when it brought on the industrial dispute, when it sacked those workers, it knew that there was no money in that company to pay them. It deliberately set upon a course to deny those workers their entitlements so they could go to court and under any circumstances would not be able to recover money, no matter what the court had to say. The most sinister thing about that is this government was involved in the planning of it. This government was involved in using taxpayers’ money to engage consultants to map out that program. This government, unlike any before it, deliberately set about on a corporate shonky manoeuvre in order to pursue its ideological campaign against workers and trade unions. The rest of that is history.

But we should never forget that that set a new low standard in relation to these matters. If we want to talk about the record of the last decade, there is a stark comparison. The Labor Party, in office and in opposition, has been at the forefront in pressing the envelope of what we as a nation can do to fix this problem.

At this point I acknowledge and thank the member for Prospect, Janice Crosio. It must be three years ago now that the member for Prospect introduced a private member’s bill into the parliament to set up a national insurance fund. It was put there genuinely to help the workers at Cobar first but also all other workers. In the two or three years since the member for Prospect has relisted that matter in this parliament, the government has refused to allow it to be debated. This parliament has been denied the opportunity to debate, much less vote on, the only proposal that has been before it in concrete terms to fix that up. More recently there have been bills introduced by the member for Fraser and me to deal with those sorts of Patrick’s manoeuvres. As with the Crosio bill, the government will not allow the parliament to discuss that. How fair dinkum is it about fixing this problem when it will not allow the parliament to sort out the most grievous underhand tactics?

The bill that now stands in my name on that matter deals precisely with that situation in which companies deliberately strip money out of an organisation so the workers have no chance of getting their entitlements. I think that should be above party politics. I think every Australian man and woman would have believed that the law in those circumstances should have enabled the court to go to that related company, the other part of the corporate web, and take back the money so that the workers can be paid their entitlements.

That is what our private member’s bill does. For more than two years it has stood on the Notice Paper and the Minister for Employment, Workplace Relations and Small Business, who is also the Leader of the House, has not refused to bring it on but on those occasions where we have moved to bring it on has gagged it. We have not been able to have a debate about whether we should debate the bill. The government used its numbers to gag that in this parliament. Today it would have us believe that this bill before us is somehow going to address that problem. It does not. The member for Wills has analytically gone through the measures in the bill to describe how flawed it is, even to the extent that it seeks to do a very limited range of things. It has worked now so hard for so long and produced so little.

This bill that talks in its title about employee entitlements will not provide a single
cent to a worker who has lost their job when a company has become insolvent. It does not provide a single cent—not one. This is a charade. The government said it was going to do this in July of last year when the Minister for Financial Services and Regulation rushed out a press release. Why did he do that on 22 July last year? Because the government was under enormous pressure arising out of the Oakdale mine dispute and it needed to do something but did not want to tackle the problem. What it thought it would do is trot out this camouflage, this smokescreen, and talk about the fact that it was going to get tough with directors. That is fine. We need to get tough with directors—not that this bill does what is required. It does not give the worker a single cent. The bill’s title would not pass a trade practices inquiry. It is misleading advertising. Why would the government be so deceptive about these things? The sad truth is that this government does not have its heart in this issue at all, despite the crocodile tears. I will be fairer than that. I think many members of the government have a genuine concern about this, but unfortunately it is not shared by the powerbrokers in the cabinet room. I say that with good reason. When the Oakdale mine dispute was in full flight, the government in the middle of that was planning to abolish the industry’s long service leave trust fund. Minister Reith had plans already developed to abolish the industry trust fund. That industry trust fund, at the end of the day, is what rescued those workers because, under great pressure, what the government relented on that enabled those workers and their families at Oakdale to get the benefit was the workers being able to access their long service leave fund, the trust fund that had been put aside. So every year on a regular basis the company is required to put into that industry trust fund the entitlement to long service leave that the workers in that industry have. It is not held by the company; it is held separately.

This government was going to abolish it as recently as last year. Thankfully the union, the CFMEU, conducted an extremely effective public campaign and exposed that to the point where that particular issue was raised with the Prime Minister on an Alan Jones radio program last year. That Alan Jones radio program highlighted what is at the hub of the problem in this debate. I said the government does not have its heart in it. Let me tell you the Prime Minister does not have his heart in it. In a radio interview on 2UE on 18 June, Alan Jones was querying the Prime Minister about what the government could or should do about the problem of the Oakdale miners. The Oakdale miners was a high profile case, but many other workers have been in the same position. Alan Jones put it to him that the money should be put aside—companies should put workers’ entitlements aside. This is what the Prime Minister said in reply:

… but the more money that small businesses are not able to invest in the day-to-day running of their businesses the lesser will be their operations.

In other words, he was saying we should not actually make the companies put aside the money because they use it, to quote him, ‘for the day-to-day running of their businesses’. Alan Jones said:

… yes, but it’s not their money.

That is pretty self-evident. The Prime Minister went on undaunted:

… in reality because of cashflow needs many companies, many firms actually use this money for the day-to-day operations of their business...

I am quoting the Prime Minister. Alan Jones pulled him up again: ‘Yes, but you shouldn’t employ people if you can’t pay them.’ So a third time the Prime Minister got a chance to get it right; for the third time he got it wrong:

… I’m saying to you that the business and commercial reality of many small firms is that they need this cash for their day-to-day operations.

So Alan Jones had another go. He said:

But part of employing someone and going into business is knowing that you must pay the wage plus.

So again the Prime Minister got it wrong and said:

… if you apply that kind of system in relation to all of those entitlements you will have less money for small business to invest in its operations.

Alan Jones tried a last time. He said:

People listening to you would say it is not their money to invest.

The Prime Minister again got it wrong and pursued the same line. The Prime Minister is
on the public record as saying these workers entitlements should not by law be set aside for their benefit. The Prime Minister is on the record as saying it is the employer’s right to take workers’ long service leave, annual leave, redundancy pay, any sick leave pay that is due to them and the rest of it. It is their right to be able to take that and use it for cash flow, as if it was some sort of interest-free unsecured loan, as if the workers had just said to the boss, ‘Please take this money, I don’t want any interest, I don’t want any security. You take it and do what you like with it.’ That is what some companies do, and the Prime Minister has publicly defended it.

This government has been at sixes and sevens over this. Last year when it was finally pushed by the CFMEU and a campaign in here by the Labor Party to do something about the Oakdale miners, the Minister for Workplace Relations, on 31 August, finally said:

The intention of the government in respect of our legislative scheme is to work to put a national scheme in place by 1 January.

Christmas came and went and there was no bill in the parliament. Mr Deputy Speaker, there is no bill in the parliament yet. When the minister spoke about a legislative scheme, he obviously did not have in mind what he said, because we still do not have a bill in the parliament. He now says he is going to do it administratively, without any report to the parliament, without any supervision by the parliament. This is a shonky deal in itself, but now is not the occasion to go into it. Pressed on that, because he was embarrassed that he had not done it, on 24 January this year in a radio interview with Stan Zemanek, he said:

We didn’t say we’d have it in place by the first of January.

I am sorry, he did. And that is exactly what he said in this parliament on 31 August, ‘to work to put a national scheme in place by 1 January.’ But no, by 24 January the heat was on him so he said to Stan Zemanek, ‘We didn’t say we’d have it in place by the first of January.’ Of course, when the heat came on again after the National Textiles workers he changed his tune again and said:

The fact is that we said last year we were going to start up a scheme.

So in the space of four months the Minister for Workplace Relations, who obviously has a very forgetful recall capacity, gave the commitment; he then said, ‘No, no, I never gave a commitment’; then he remembered that he did give a commitment; and now, of course, he claims that he was always going to give the commitment and they are really fixing it up.

The Prime Minister is publicly on the record saying he does not support this. The Minister for Workplace Relations did not want to help the Oakdale workers and got dragged there because the Minister for Finance rolled him in cabinet; he then denied he gave any promises anyway. This is a government that has had a disgraceful record in dealing with this issue. It is time they introduced some legislation to deal with it properly. If they cannot do that, they should at least bring on the Labor bills that have been on the Notice Paper for two years so the parliament can finally debate a solution, none of these bandaids.

Debate (on motion by Mrs Worth) adjourned.

CENSUS INFORMATION
LEGISLATION AMENDMENT BILL 2000
Main Committee Report
Bill returned from Main Committee with an unresolved question; certified copy of bill and schedule of unresolved question presented.

Ordered that the bill be taken into consideration forthwith.

Unresolved question—
That further proceedings be conducted in the House.

Mr LEO McLEAY (Watson) (1.15 p.m.)—There was some discussion in the Main Committee as to why this matter should be returned to the House, and it is probably worth the House understanding why the opposition took this action in the Main Committee. Earlier today, the House was discussing the customs and excise tariff legislation where the government had some little problems of their own. Without any consultation with the opposition or discussion or anything, the government gagged that debate.
There was a series of divisions in the House about that. Our shadow minister, who was going to be conducting the debate on this matter in the Main Committee, was then also to lead the debate on the next item that came up in the House. There have been long-standing agreements between the government and the opposition on how to program matters in the Main Committee so that neither side is disadvantaged by ministers or shadow ministers coming across legislation that comes up at the same time in both chambers. Obviously it would be a nonsense for the member for Wills to be expected to be in two places at the one time, even though he is so capable he is probably able to do that.

So had the government discussed this matter with us, we would have been quite happy to rearrange the program. Instead, it put the opposition, the member for Wills in particular, in an impossible position. There had been an agreement with the government in the Main Committee that the honourable member for Throsby would speak first on the bill and then the member for Wills would. But the government, by changing the arrangements, ensured that the member for Wills was unable to do that.

If the government wants the Main Committee to work properly—I know the Chief Government Whip seems to most of the time—it is important that we do not have scheduling problems. I say to the government that when those scheduling problems happen we will bounce the bill back here. One of the reasons that the rules for the Main Committee were set up in such a way was so that when the opposition is aggrieved in that way, the opposition can do that.

There was some suggestion by the next speaker in the Main Committee that Mr Thomson had no interest in speaking on this bill. The honourable member for Menzies said that the opposition was putting Mr Hollis, the honourable member for Throsby, on this matter first. I do not know whether the honourable member for Menzies was aware of it but the agreement with the government was that Mr Hollis would go on first and then the honourable member for Wills would follow and put the opposition’s point of view on this matter.

I think the House should be aware of those things and I think the House should understand that in future if this thing occurs, without any apology, we will do the same again because we believe the Main Committee should work. It should work so that ministers, and shadow ministers in particular, get to put the point of view of the government or the opposition. I look forward to hearing what the honourable member for Wills will say on this bill now that he has the opportunity of speaking on it. I was glad to be able to facilitate that opportunity for him. I thank the House.

Mr Andrews (Menzies) (1.20 p.m.)—Unlike the honourable member for Watson, I was in the Main Committee when the proceedings that he referred to occurred, and my account of what happened is somewhat different. What the government did was to facilitate the member for Wills to be able to speak by allowing the member for Throsby to speak first. Prior to the member for Watson marching into the Main Committee and closing down the debate, without having been there, the member for Throsby had in fact spoken. After that, there were four members of the government scheduled to speak, each for a period of 15 minutes, as all honourable members know is the case, in the Main Committee, so allowing sufficient time for the member for Wills to speak at any stage he wanted to and to accommodate his being able to speak in this place and also in the Main Committee. I was present when this debate commenced, unlike the suggestion made by the member for Watson that I was not, and was there for the end of the last speech on the previous bill in the Main Committee. The reality is that it was understood that the member for Throsby was going to replace the member for Wills. That was facilitated. The member for Wills could have spoken at any stage in the debate had he wanted to and to accommodate his being able to speak in this place and also in the Main Committee. I was present when this debate commenced, unlike the suggestion made by the member for Watson that I was not, and was there for the end of the last speech on the previous bill in the Main Committee. The reality is that it was understood that the member for Throsby was going to replace the member for Wills. That was facilitated. The member for Wills could have spoken at any stage in the debate had he wanted to. The government agreed to that. Simply, what has been said by the honourable member for Watson is nonsense.

Question resolved in the affirmative.
Mr KELVIN THOMSON (Wills) (1.21 p.m.)—I thank the honourable member for Watson for taking the action he did to ensure that I have the opportunity to speak on the Census Information Legislation Amendment Bill 2000. I suspect that the debate on this bill will take less time than did the debate concerning the debate on this bill. I thank the honourable member for Watson for his assistance. It is the case that the government’s scheduling through this House of the customs legislation concerning the fuel substitution issue meant that it was impossible for me to be simultaneously here and in the Main Committee.

The Labor Party supports the Census Information Legislation Amendment Bill. The Labor Party agrees with the conclusion of the Standing Committee on Legal and Constitutional Affairs that the retention of name-identified 2001 census information and its release after 99 years will make a valuable contribution to preserving Australia’s history for future generations. The retention of name-identified 2001 census information will assist with genealogical studies in genetic and epidemiological research and in historical and sociological research. It is also significant that the census is being conducted in the year 2001 which coincides with the Centenary of Federation. This is important for two reasons; firstly, the 2001 census will provide information at a point in time significant in Australia’s history for future generations. The retention of name-identified 2001 census information will assist with genealogical studies in genetic and epidemiological research and in historical and sociological research. It is also significant that the census is being conducted in the year 2001 which coincides with the Centenary of Federation. This is important for two reasons; firstly, the 2001 census will provide information at a point in time significant in Australia’s history.

Some people have raised privacy concerns relating to the storage and use of name-identified census information. However, I understand and believe that the concerns of the Australian Bureau of Statistics and concerns in relation to privacy can be addressed through ensuring that households are given the choice of whether or not to consent to the retention of name-identified census information; that is, households choose to opt in to the scheme to store 2001 census information. If they do not wish name-identified 2001 census information to at any time become public, it will not be. In fact, the Australian Bureau of Statistics and the Privacy Commissioner are working together to ensure this will be the case.

The method by which consent is given must be designed in a way that ensures that households understand what they are consenting to, that the views of all members of a household are considered and that households are free to decide whether or not to consent to the retention of name-identified census information. Without the consent of the household, the census information should not be stored. The Australian Bureau of Statistics and the Privacy Commissioner must be supported in this work.

The Census Information Legislation Amendment Bill also adopts the recommendation of the Standing Committee on Legal and Constitutional Affairs that the census records be stored for 99 years. This is considerably longer than the usual 30 years for most archive material. The method by which the name-identified census information is stored must also be appropriate to ensure that the privacy of households is maintained. The National Archives of Australia must be supported in this regard.

The explanatory memorandum to the bill states that the government will conduct a public education campaign. The government must ensure that the public education campaign is clear, extensive and informative. The education campaign needs to ensure that it is known that only the census forms completed by those households that explicitly consent to the storage of census information will be kept. The education campaign needs to be communicated effectively to all households.
Finally, the education campaign needs to be informative. The benefits of the storage of name-identified census information need to be communicated together with the requirement for households to explicitly consent to the storage of their census forms. The education campaign should also stress the need for accurate and truthful responses to the census questions. Accordingly, if the relevant government agencies are given the appropriate support and a responsible educational campaign is conducted, the Labor Party believes the concern of the Australian Bureau of Statistics and the Privacy Commissioner can be addressed and that the retention of name identified 2001 census information will make a positive contribution to preserving the history of Australia.

As previously mentioned, the Census Information Legislation Amendment Bill applies only to the census being conducted in the year 2001. The Labor Party believes that the results of the 2001 census should be carefully analysed before any decision is made in relation to the retention of name information collected in any subsequent census.

The Census Information Legislation Amendment Bill also provides for the name of Australian Archives to be changed to the National Archives of Australia. I think the Minister for Financial Services and Regulations should be reprimanded for somewhat less than efficient housekeeping here. I understand that the name of the Australian Archives was changed to National Archives of Australia over two years ago and the parliament and the people of Australia are entitled to the competent management of government business and to be informed of changes in a name prescribed in legislation. Two years should not have been allowed to elapse before this parliament was informed of a change in the name of Australian Archives and the appropriate legislation tabled in parliament.

I had the privilege of participating in some of the inquiry of the Standing Committee on Legal and Constitutional Affairs into this issue during my time as a member of that committee and it was indeed a very interesting discussion and debate regarding the merit of this proposition. I suppose ultimately the committee has come up with very useful recommendations. I am pleased that the government has seen fit to implement them. Indeed, the member for Menzies was chair of that committee and, therefore, has some special knowledge of these areas of policy.

The concluding comment I would make is that politicians are frequently criticised for having very limited time horizons. It is said that we are unable to see beyond the next election. But here we are looking ahead 99 years, which is well beyond our own lifetimes. Indeed, I think the historians who have been pushing for this so hard ought to be congratulated for taking such a farsighted view. I dare say they will not be around themselves to reap any of the benefits of it. I hope that the earth does not get hit by a meteor sometime in the next 100 years so that somebody is around to benefit from what I think is a great act of forward planning.

Mr ANDREWS (Menzies) (1.29 p.m.)—It is ironic that as a result of the brave new world of information technology we have fewer public records of a whole people. We know about the lives of a 15th century family, because we have the Paston letters. When Victoria was queen there were several mail collections and deliveries a day and people could literally conduct correspondence by return mail. Small local libraries in our oldest areas of settlement preserved the diaries of ordinary people. But in a time when communication is so instantaneous, its durability is often of equal length. An email becomes a piece of electronic detritus that needs to be junked at some point to prevent the system from overloading.

So how do we preserve the vanishing present for posterity so that those who come after us will know who we were, what we thought and how we lived? The parliamentary committee that I chair, the House of Representatives Standing Committee on Legal and Constitutional Affairs, considered these questions when we looked into whether census forms should be preserved instead of destroyed as they have been in this country since 1971. This bipartisan committee recommended in the report Saving our census and preserving our history, that census forms should be destroyed only after the informa-
tion has been fed into databases. This bill gives people the option to have preserved the information on census forms they have completed.

Dr Jennifer Harrison spoke for many historians when she told the committee:

Whereas the 19th century is quite well documented, the 20th century particularly, despite technology, will be relatively unrecorded as far as people go.

Dr Harrison says that it is the individual cases that give the lie to popular myths and says:

It is only by looking at lots and lots of case studies and building up the actual individual experiences that we get the overall experience.

It has even been suggested that our social history would be quite different if census forms had been preserved. Professor Donald DeBats, professor of American studies and of politics at Flinders University in South Australia, told the committee that he makes extensive use of early census records for the United States and Canada for his historical research. He commented:

It—

that is, the social history in Australia—

would be more focused on the lives of ordinary people—men and women, black and white, immigrants and native-born—if the census of the past had been preserved.

He said that not only would it be a different history, it would be a history in which ordinary people were engaged to a greater extent than they are presently. I quote him again:

They would see that the real history of their nation is not what happens in parliaments, in Canberra, on battlefields, or in the diaries of famous men, but what happens in the ordinary lives of ordinary citizens each day.

Genealogists who appeared before the inquiry were keen to use census information to build a snapshot of Australia, showing how our ancestors lived, the structure of families, educational and vocational qualifications, languages spoken and the growth or contraction of family units.

The Australian Bureau of Statistics put the concern that retention of name-identified census information would incline people not to answer truthfully. Others rejected this on the grounds that most would act as good public citizens. In fact, it may come as a surprise to many that name-identified census information is not currently retained. In order to deal with privacy considerations the committee recommended that name-identified census records be closed for 99 years and that no researcher have direct access to that material during the time.

Now the government has concluded that name-identified census information should not be consigned to oblivion, but electronically warehoused to preserve our history, but has added the rider that all households or individuals will have to provide explicit consent for their records to be held and that there should be no access of any kind including by a court or tribunal within the 99-year closed access period. The government will run an extensive education program in the lead-up to the 2001 census to make the general public aware of the need to retain name-identified census information for the biggest snapshot of all of the life of Australia.

I note in closing that this bill is an illustration of the way in which one often unremarked part of the parliament works; that is, the many committees that operate day in, day out throughout the year of the parliament whose work does not attract media attention in terms of headlines very often, does not make the television news at night in the same way as the theatrics of question time, but nonetheless this work of the parliamentary committees is very important. This is an example that people can know about of how a parliamentary committee has looked at an issue, come up with a unanimous report which has now been accepted largely by the government and is therefore becoming legislation, which will have a marked change so far as Australia is concerned. I commend the government for introducing this legislation and I commend the bill to the House.

Ms JULIE BISHOP (Curtin) (1.35 p.m.)—The subject matter of this legislation, census information, leads some to think of centralised intelligence gathering and re-
minds us that in the post-Cold War world, the proper responsibilities of the state are the subject of much debate. The sclerotic wel-
farism of the postwar years, the overreach of government and regulation into every corner of private life and behaviour and the rise of scepticism in the community have convinced many Australians that the state ought to re-
strict its activities to a core of well-defined and effective responsibilities.

This fundamental shift in political thinking has not been confined to Australia. The work of philosophers of freedom such as Milton Friedman has provided the principal platform for the return of a genuinely liberal state. In fact, this fundamental shift has sent the for-
mer champions of the interventionist state, political parties like the Labour Party of the United Kingdom and the Democratic Party, scurrying to the centre.

The third way might not have any sub-
stance beyond that of the focus group, but the rhetoric of these apostates does reveal that even the centre left has abandoned the state as a vehicle for personal and national re-
demption. Perversely, the centre left in Aus-
tralia, the Australian Labor Party, has bucked this international trend and rushed headlong back into the dead arms of socialism. Only the honourable member for Werriwa, it seems, has thought to question this avoidance of reality, although I note that his ALP col-
leagues continue to dismiss his line of think-
ing. This morning the honourable member for Griffith wrote in the Australian that the hon-
ourable member for Werriwa’s thinking on a particular issue was ‘just plain loopy’. So much for the ALP’s open or creative ap-
proach to policy debate.

Yet the liberal state does have core respon-
sibilities such as the collection and analysis of census information. Data collected by census provides the raw material for the de-
velopment of government policy in Australia. It determines the shape of our electoral boundaries. It is used to determine the num-
ber of seats each state and territory has in this house and it is used to determine the nature of our Commonwealth-state grants. It pro-
vides the characteristics of the population and its housing to support the planning, admini-
stration and policy development activities of governments, business and other users.

Census data has been used in numerous ways. Take city planning, for example. Those planning contemporary transport facilities have used census data to study the main flows of people within a city, the methods they use to get to work and the availability of motor vehicles. While some of this informa-
tion is available from other sources, only a census can provide the information for the country as a whole as well as for smaller geographic areas and small population groups.

Census information has been used to iden-
tify the social and economic circumstances of particular population groups: for example, the localities where people who were born overseas were living at census time, the em-
ployment status of these people, their occu-
pations and workplaces. As a pertinent ex-
ample of how census results can relate to national policy, one need only consider that, if we are to engage in a national debate about future population, we will require the very best information about our population as it presently stands. That information will largely flow from the census.

Census data reveals the trends in Aus-
tralian life, the needs of present Australians and the probable needs of future Australians. As it happens, the next national census is sched-
uled for next year. A 2001 census revealing the make-up of Australia seems especially appropriate considering that 2001 also marks our nation’s Centenary of Federation. What a gift it would be for us to leave to the Australia of 2101, to the Australia of the 22nd cen-
tury, the record of our Australia and of all Australians as at 2001.

There is quite a fascinating history of the con-
duct of the census over the life of our na-
tion. The first population counts of Australia were known as ‘musters’ and were made as early as 1788. A muster, as the name implies, involved all members of the community gathering at a specific location to be counted. This was important for such fundamental purposes as matching food and other supplies to the number of people needing them. The first census, as we now know them, was taken in New South Wales in 1828. The
colonies even took part in a simultaneous census of the British empire on 3 April 1881. After Federation the first census was taken on 31 March 1901. But it was not until 1905 that we were able to coordinate the methodology and the presentation of results by virtue of the Census and Statistics Act 1905.

Over the years, the census has been taken at various intervals—at first, every decade, but then 1931 was missed due to the Depression. A census was missed due to World War II, but the practice of conducting a census in at least the first year of each decade was resumed from 1961 and, since that date, Australia has had a census taken every five years.

The Commonwealth government has recommended that, in accordance with the recommendations of the report of the Standing Committee on Legal and Constitutional Affairs entitled Saving our census and preserving our history, the previous requirement that all name identified census information be destroyed after statistical processing should be amended. The legislation before the House today will give all Australians the choice as to whether their name-identified census return is destroyed, as was previous practice, or retained for future records. It is important to note that this name-identified information will be closed to access for 99 years. This is significantly longer than the 30-year ban applied to most other archived material.

Only after 99 years have passed from the census date will the material, kept under supervision by the National Archives of Australia, until now referred to as the Australian Archives, be available for genealogical and other research. Interest in genealogy grows stronger and people seek increasingly an understanding of their ancestors and their background. But, in the area of health and medical research, this material could have quite dramatic implications—in biomedical research, genetics in particular, considering the advances in that field in the last century. But it could be of use in the population sciences, including epidemiology, demography and its social and behavioural sciences and public health research generally.

There is a great deal of work being done in this country in genetic research, being facilitated by the policies of the Minister for Health and Aged Care, but in particular in relation to the mapping of genes and tracing family histories for screening of certain diseases. The 99-year rule will limit the extent to which census information alone can assist. However, it will still be valuable from the historic perspective, although I was always told that the best way to have your family tree traced was to enter politics.

To ensure that the census information is completely closed to access, the Archives Act will be significantly strengthened to protect data from subpoena by courts or tribunals. Officers of the National Archives are expressly prohibited from divulging or communicating this information during the closed access period either to another person, other than through professional contact with another officer of the archives, or a court or tribunal, whether voluntarily or by subpoena. This particular attention to the concerns of the public is by no means misplaced. The effectiveness of the census process rests on the willingness of Australians to cooperate with the Australian Bureau of Statistics. Without cooperation, the census process is worthless. Therefore, the closed access period and, most importantly, the choice provided to census recipients, represents good privacy practice. Further, I understand that the Australian Bureau of Statistics is in consultation with the Privacy Commissioner to develop an appropriate strategy for seeking household consent. Prior to the census date, the Australian Bureau of Statistics will also run a national public information campaign to make Australians aware of their rights in relation to name-identified information and the confidentiality of preserved information.

Although the Standing Committee on Legal and Constitutional Affairs did suggest that name-identified information from all future censuses from 2001 be preserved, this legislation and the changes made by it relate only to the 2001 census. It will be up to future parliaments to decide whether this change should be permanent. I commend this bill to the House.

Ms GAMBARO (Petrie) (1.45 p.m.)—I rise to speak on the Census Information Legislation Amendment Bill 2000. I see the Minister for Financial Services and Regula-
tion is in the House at the moment. I note that he introduced the bill to the House and delivered the second reading speech on 17 February. The bill allows the National Archives of Australia to keep 2001 census information of records for future use. It is a wonderful initiative. After a closed period of 99 years it will be possible for future genealogists and researchers to access the 2001 census information to learn about life in Australia in the first year of the new millennium. Won’t be that an exciting time, Mr Deputy Speaker.

Explicit consent must be provided by households completing the census form before the information can be preserved in the National Archives. In a period where we are carefully thinking about our national identity, what it is like to be an Australian, this will be a very valuable contribution to the historical record of Australian society as we all know it now. While we look forward to celebrating the Centenary of Federation this year, future generations of the bicentenary of Federation will be able to enjoy learning about the social and cultural make-up of our current generations.

The Census Information Legislation Amendment Bill 2000 follows recommendations by the Standing Committee on Legal and Constitutional Affairs in a report entitled Saving our census and preserving our history. It is widely acknowledged that the Australian census is highly regarded for its accuracy and excellent research outcomes. The Australian Bureau of Statistics provides periodic estimates of the population of each of the states, territories and local government via the census. I must commend it on the wonderful work that they do. There is very little that the Bureau of Statistics will not tell you these days about any demographic make-up of a particular area, population, age and other well-known demographics.

Results also provide information about the small geographic housing areas within geographically located areas. Census data assists with the compiling of monthly employment and unemployment statistics as well as assisting in planning administration, policy development and activities of governments, business and other users, particularly in infrastructure projects such as roads, highways and other major projects that are put together in the future. It is also a very valuable tool for social research. It is important that we understand social culture and attributes and that future generations understand where we have come from. History is a very valuable tool for looking at such things. We can look at the social and economic circumstances of a particular group of people or a particular population at a particular time. As I mentioned earlier, this is an absolute must for governments and other planning authorities. As we look to projects like roads and railways, that is so essential.

This information also plays a part in public expenditure, with federal governments using the results to plan spending on federal programs such as vocational education and training. Training in particular is an area that is very dear to me, as is skilling of the work force and knowing where our expected shortages will occur. We need to look at it on an overall basis across the states and also across Australia so that we can anticipate these shortages and prepare for what the careers of the future might be.

These results are put to very practical use and provide some very positive outcomes for the community. It is interesting to note—the previous member spoke of the census history—that the census information has been collected in Australia probably since 1911. That was the first census. The usual information taken then was on basic things such as age, sex, marital status as well as things like citizenship and birthplace. That was a very important census. However, it is really only since the early 1980s that information such as the mode of travel to work and motor vehicle licences held have been collected, which is a very interesting development as we have only gone back as far as 1980. I imagine the results of these kinds of questions will be very interesting for the people looking at them in 99 years time. In keeping with the Privacy Act 1988, householders who do not consent to this initiative will have their census information destroyed as it has been in the past. That is important to note.

While the results of the census have been invaluable for current decision making, they can also be very useful for future decision
Thursday, 9 March 2000

In the electorate of Petrie, which has a very rich historical history, many community members give their time voluntarily to research and record its history. In the absence of census, it is very important to have those local historians. Redcliffe was the first settlement city in Queensland. In 1824 the Governor of Brisbane sent the Amity under Captain Penson to start a new colony and ultimately a free settlement in the Redcliffe area. This was the beginning of Queensland. Whilst the penal settlement was later moved to Brisbane, the Redcliffe peninsula was the first settlement in Queensland. Through hard work, details of time are being put together and will be placed in a new museum in Redcliffe. One can imagine in the year 2001 information such as holograms might be used to depict real people and real images to light that which occurred some 99 years earlier.

The Australian practice has been that all name-identified information collected in the census is destroyed. This means that the census forms are pulped once the Australian Bureau of Statistics has extracted statistical data from them. The destruction of these forms is controlled by the Archives Act 1983. An electronic record of the anonymised information from the destroyed census forms is retained indefinitely. This bill takes a new direction by allowing households to choose to preserve the name-identified information that is recorded in the 2001 census for those Australian households which explicitly consent to this happening. There will be a closed access period of 99 years rather than the usual Archives Act closed access period of 30 years. The bill contains provisions to ensure that during the 99-year period the name-identified census information will not be released under any circumstances, not even to a court or to a tribunal. Upon the expiry of the closed access period in the year 2100, the name-identified information will be released so that it can be used for research purposes.

A range of individuals and organisations engaged in genealogical, social and medical research made submissions in favour of retention of name-identified census information to the inquiry into this matter by the Standing Committee on Legal and Constitutional Affairs. The committee noted that this data would facilitate research that would be otherwise impossible or difficult to carry out, especially where the census data could be linked with information in other databases.

For example, genetic researchers would be able to track the passage of disease between generations with greater accuracy; medical researchers would be able to better monitor disease risk factors in different populations and groups; and historians and other social scientists would gain a clearer picture of ordinary people’s experiences—such as unemployment, divorce, childbirth and migration—as they changed over time.

The committee noted that some researchers would benefit greatly from the release of name-identified census information well before 99 years had expired, and it recom-
mended that there be a variation in the case of epidemiological research approved by ethics committees in accordance with NHMRC protocols to have indirect access through the ABS within the closed access period. This recommended exception is not reflected in the bill, which specifies the 1999 closed access period has no exceptions. Nor has the bill adopted the committee’s recommendation of mandatory retention of name-identified information in all future censuses. The government has been mindful of concerns that many Australians might have in relation to any change in the handling of personal information about themselves and about their confidentiality and privacy.

The government recognises the importance of community confidence in the confidentiality of census information, which is why this bill proposes a less extensive reform to the census practice than was recommended by the committee. The accuracy of census data is, of course, extremely important, as other speakers have outlined, and it is used in a wide range of areas, including the formulation of government policy.

When discussing the proposed changes to the census practice for 2001 it is important to note that the ABS has given indications that it wishes to include a question on ancestry in the 2001 census. There was a question on ancestry in the 1986 census, which was actually recommended by the Institute of Multicultural Affairs, but this was initially resisted by the ABS and was conducted for only one census. I am very pleased that the ABS is once again considering including a question on ancestry.

It would seem appropriate that the snapshot of our nation taken in the census in the year that we celebrate the Centenary of Federation captures us in all our ethnic and cultural complexity. It is a complexity and richness unprecedented in Australia’s history, and I think Australians will in the future thank us for not airbrushing the photograph. I commend the bill to the House.

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (1.58 p.m.)—in reply—I would like to thank each of the members who have contributed to the debate on the Census Information Legislation Amendment Bill 2000. This is, of course, a very important bill. For the first time, information from the census to be held in 2001 will be saved for a period of 99 years. Of course, individuals have the choice as to whether their own information will be retained or not. It will provide Australia in the year 2100 with a snapshot of what we were like as a society and as a community in 2001, and that is a measure of our contribution to a future generation. On that basis, I commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

Bill (on motion by Mr Hockey) read a third time.

QUESTIONS WITHOUT NOTICE

Telstra: Job Cuts

Mr STEPHEN SMITH (2.00 p.m.)—Mr Speaker, I have a question without notice.

Mr SPEAKER—My apologies to the member for Perth. He was not the only person on the frontbench who was standing.

Mr STEPHEN SMITH—I was the only one lurking with intent.

Mr Howard—That is more than can be said of any of your policies.

Mr STEPHEN SMITH—Sensitive! Sensitive!

Mr SPEAKER—The member for Perth will ask his question.

Mr STEPHEN SMITH—My question is addressed to the Deputy Prime Minister, Leader of the National Party and Minister for Transport and Regional Services. Deputy Prime Minister, when Dr Switkowski, Chief Executive Officer of Telstra, advised the government in the last week or so of the proposed 10,000 job losses, why did you not ascertain where the job losses would fall? Why, when asked this morning on the Today show whether, inevitably, most of the job losses would be from the bush, did you respond, ‘We have not been told where the job losses are, but they cannot, inevitably, mostly be in rural areas—they really can’t’? Minis-
ter, will you now guarantee rural and regional Australia that it will not suffer the majority of these job losses?

Mr ANDERSON—Mr Speaker, the paramount issue in relation to telecommunications in rural and regional Australia is unquestionably the delivery of the best possible technology, the best possible access, the greatest possible reliability and the lowest possible prices. Those are the really critical issues for jobs and prosperity in rural and regional Australia. The ALP’s approach to rolling back everything is, presumably, because they would like to take us back to the days when government instrumentalities were treated as employment agencies and any suggestion that there ought to be firmly set standards, and that the pursuit of those standards should be closely monitored, was never taken seriously and nothing was ever done about it. I would certainly say that it is very important for Telstra to consider carefully the impact of its changes on employment, both for the sake of individuals and for communities in regional areas. For example, many of the positions that will go, we are told, will be contracted out. That actually can help to not only preserve jobs but to create jobs and small business opportunities in regional Australia.

Mr Beazley interjecting—

Mr ANDERSON—I hear the Leader of the Opposition saying, ‘It hasn’t so far.’ As a matter of fact, I think you will find later in the day that that is not true. Having said that, let me again spell out this point: the number one objective in this area has to be the delivery of service and technology at levels which will maximise, firstly, the competitiveness of existing businesses and social life in rural areas and, secondly, the delivery of world class technologies which will facilitate new investment and new jobs in regional areas. The future for our regions will be secure to the extent upon which they have access to those new technologies—exploding technology, as it is largely. There is no doubt that that is what we have to have in regional areas.

Labor’s hypocrisy in this area knows absolutely no bounds. The member for Batman says that they will give a voice back to the bush because they care for Telstra and Australia Post. But they have form—270 post offices disappeared while they were in power. They wound back the analog phone network, and they actually obliged us to get rid of a service that was working well. They tried to dictate technology. They did nothing about standards; it was us who put the customer guarantee standards in place—not them. It was us who attached fines to it for non-performance. Indeed, it was us who sought to put in place such valuable mechanisms as Networking the Nation; they attempted to prevent us from rolling it out. Our policy position here is well known. Our priority is clearly ensuring not that standards are allowed to remain static, let alone fall back, but that we improve the roll-out of services, capabilities and technologies to the advantage of the bush.

Employment: Labour Force Figures

Mr BARTLETT (2.06 p.m.)—My question is addressed to the Prime Minister. Prime Minister, would you inform the House of the significance of today’s labour force figures. Are you aware of any alternative policy proposals that would assist in the continued reduction in unemployment?

Mr HOWARD—I can only describe today’s labour force figures as magnificent news for job seekers in this country. We have seen the figure fall to an unemployment level of 6.7 per cent, and that is the lowest level of unemployment since June 1990. The unemployment rate has been trending down since the beginning of 1997 and the trend rate has been at or below seven per cent for the last five months.

There were 59,100 new jobs created in February. Of those, 34,000 were full-time jobs and 25,100 were part-time jobs. In the past year, more than a quarter of a million new jobs have been created, and since this government came to power in March 1996, just four years ago, a total of 653,800 jobs have been created in this country. Of all of the government’s economic achievements, there is none of which we are prouder than the fact that we have generated jobs for 653,800 Australians. Added to that, we have seen to it that the entire Australian work force is better off now in real terms than it
was at any time during the 13 years of the former government. Not only have we generated more jobs, not only have we cut their monthly mortgage bill by an average of $266 a month, but we have also done something that the trade union bosses of the Labor Party could never do, and that is to increase the real incomes of Australian workers. In the time that we have been in office, because we have followed policies that have induced higher levels of productivity in Australia, we now are presiding over a situation where the real incomes of workers are rising because the nominal increase in their wages is running ahead of the rate of inflation. But, because the rate of inflation is low and because that boost in wages is coming off productivity increases, it is sustainable and it is not going to be undermined.

Mr Beazley interjecting—

Mr Howard—The Leader of the Opposition interjects. I remind him that only yesterday some more figures came out about the growth in wages which show how sustainable is this growth in real income. Australian workers have not enjoyed a situation like this before. They have not enjoyed it before because whenever they got an increase in wages in earlier years it was often accompanied by low productivity, it was unsustainable, it led to an increase in inflation and inevitably tight monetary policy was applied in order to squeeze inflation out of the system. That has not happened over the last four years. In fact, interest rates now are dramatically lower than they were four years ago. As a result, every household on average is $266 a month better off. So you have the marvellous aggregation of good economic fortune: you have 653,000 more jobs, you have low inflation, you have higher real incomes and you have lower interest rates—and all of that means that there are more Australians in work and those Australians in work have more money to spend. That is underwriting the strength of Australia’s economy at the present time.

I am invited by the member for Macquarie to turn my attention to the alternatives. Let me say that my answer is coming speedily to a conclusion because there is indeed no alternative to which one can turn one’s attention. In the four years that have gone by since the member for Brand became the Leader of the Opposition, he has not generated one serious policy alternative. He does not have an economic policy and he does not have an employment policy. All he has is a policy to nitpick, to be negative, to be obstructive, to criticise, to nark and to complain about the policy initiatives of the government. I believe that the work force of Australia has every reason to be optimistic about this country’s economic future. We are a strong economy and we are a low inflation economy. The economy is presided over by a government which has the courage to bring about economic reforms. We are delivering historic reforms in the Australian taxation system but, most importantly, we are delivering jobs for Australian men and women and we are ensuring that those Australians in work have rising real incomes and lower interest obligations, and therefore the family spending power is better off all round than it has been for many years in this country.

Telstra: Job Cuts

Mr Beazley—My question is to the Prime Minister. Prime Minister, I refer to your Nyngan declaration that any threat to existing Commonwealth services in regional Australia would set off a flashing red light in your office. Isn’t it the case that yesterday a red light went off for the rest of Australia when, despite a $2.1 billion half-yearly profit, Telstra announced that 10,000 jobs would go—certain to reduce jobs and services in regional Australia? Prime Minister, who took the globe out of your red light when Telstra gave the government prior notice of these cuts?

Mr Howard—Where does one start? I will start by informing the House that yesterday I did have some conversations with both the Chairman and the Managing Director of Telstra. In fact, I had several conversations with the Chairman and I had an extended conversation with both the Chairman and the Managing Director. Those conversations occurred yesterday morning. I was aware of the general terms of the announcement that was to be made in Melbourne by Mr Mansfield. Let me inform the House—I am very happy to do so, and I thank the Leader of the Opposition for giving me the opportunity of doing
so—that I took the opportunity of what I can only describe as a very direct conversation with both of those gentlemen to make a number of things clear. The first thing I made clear was that the determination of the government to ensure that service provision in the bush by Telstra continued to improve was absolutely unabated.

Opposition members interjecting—

Mr HOWARD—Those on the front bench of the opposition interject in relation to that statement. In a moment, I will come to a statement made by the shadow minister for communications on 20 December 1999. Yesterday, I made it very clear to the managing director and to the chairman that the government was absolutely committed and that there was an absolute obligation on Telstra to ensure that there was no deterioration of services in regional Australia—indeed, that the value of those services had to increase. I make it very plain to the parliament and to people in regional Australia that although there has been a measurable improvement in services delivered by Telstra in Australian rural areas, there is still considerable room for improvement. I also remind the House that, in the weeks and months immediately ahead of us, the value of the social bonus flowing from the sale of the second tranche of Telstra shares will begin to flow into rural areas of Australia. As that money flows, I will remind the people of the Australian bush that the Labor Party voted against that money. I will remind the people of country Australia that at every stage the Australian Labor Party sought to deny us the financial capacity to put more communications services into the Australian bush.

Telstra is a company that has certain commercial obligations. The proposition that the government should seek to micromanage the employment levels of Telstra is not a proposition that I assert. And it was not a proposition that somebody on the other side of the parliament asserted when he had responsibility in this area. If ever there has been a piece of political humbug over the last 24 hours it is the concern expressed by the Leader of the Opposition and by the member for Perth about proposed redundancies and downsizing of staff employed by Telstra. I remind the parliament that between September 1991 and June 1994 the total number of staff employed by Telstra fell by 17,610. That was very understandable because the principle underlying the operation of Telstra was laid down on many occasions. In particular, it was laid down in an answer furnished to the House on 22 August 1991 by the then Minister for Transport and Communications—and the Leader of the Opposition will know who that was. The answer, in the name of Mr Beazley, said:

Telcom—
as it was then called—
will become a wholly-owned Government company, and will be merged with OTC once the details of the capital structure and interconnection arrangements are finalised.

Interestingly enough, the answer then goes on to say:

Telcom has continued to review its management structure and operational methods to ensure that it is most appropriately placed to face competition. I had no argument with that, and you should not have any argument with the proposition now either. It then goes on to say:

Restructuring of Telecom’s workforce will result from this process.

Of course there was restructuring. There were retrenchments—17,610 retrenchments. He then went on to say:

Employment opportunities will be created with the second telecommunications carrier.

The spokesman for the then government was saying that there would be fewer staff employed by Telstra. I want everybody in the House to note that this was at a time when Telstra was owned 100 per cent by the government. This proposition that in some way, if you have less government ownership, you will have more employees is completely wrong. The reason why there are rearrangements of the staff of Telstra is that that company, as foreshadowed by none other than Kim Beazley, has to compete in the marketplace. In the process of competing in the marketplace, we are going to see to it that it delivers its obligations to the rural and regional areas of Australia. We are not going to try to micromanage the employment levels
any more than Mr Beazley tried to do that when he was in government. It is an absurd proposition and will end up trashing the share price of the company. We have to get a little bit of commercial realism into this.

The Leader of the Opposition was speaking the truth when he was in government. He is now behaving like an opportunistic humbug in opposition. That is what he is doing now and it is about time he was called for what he is on this subject. As his answer in August 1991 indicated, the Leader of the Opposition knows that there are alternative employment opportunities in the telecommunications area like no other section of the Australian economy. I have been informed that of those who have been made redundant by Telstra, something in the order of 88 per cent have been able to obtain alternative employment. Nobody welcomes the downsizing of any workforce, but I remind the House that I have just drawn attention to the best employment figures for more than a decade. I remind the parliament that the alternative employment opportunities in the communications area are better than in any other section of the Australian economy. That is the truth. The Leader of the Opposition faced that truth when he was a minister in the former government, almost 10 years ago. That is why, when Telstra shed 17,000 staff under the stewardship of the Keating government, he defended those decisions on the grounds that it was the inevitable consequence of Telstra operating in the marketplace. You did not hear him complaining then. You did not hear of any of these characters getting up at caucus meetings and saying, ‘Why is this happening?’ In fact, you had attacks made by members of the Keating government on leaders of the telecommunications unions for opposing the restructuring that went on at that particular time. In doing that, the Leader of the Opposition, as a minister in the former government, was behaving with a modicum of realism and commonsense, but what he is doing today is engaging in the cheapest form of political opportunism imaginable.

The Leader of the Opposition is trashing any credentials he has to any sense of economic commonsense or economic responsibility. It is the fact that when he was in government he argued that fewer employees did not mean lower service. That was the justification he would use whenever the unions criticised the fact that the government was allowing the corporatisation of Telstra. Let me say on behalf of the government, as I said to both Mr Mansfield and Dr Switkowski yesterday, we are determined that the obligations openly given by Telstra in relation to the Australian bush will be maintained. It is an obligation of Telstra’s to do that. There are legislative obligations imposed on that carrier, and I have every reason to believe that those obligations will be delivered on.

**Economy: International Organisations**

Mr **NAIRN** (2.23 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of recent comments by international organisations on Australia’s economic performance? What is the view of such organisations on tax reform, and are there any alternatives recommended by such organisations?

Mr **COSTELLO**—I thank the honourable member for Eden-Monaro for his question. I can report to the House that the International Monetary Fund has just released a report on Australia saying:

In recent years productivity growth in Australia has increased to rates not seen since the golden age of the 1960s.

The IMF goes on to say:

Potential output growth in Australia over the next four to six years is likely to fall in the range of 3.2 to 4.3 per cent. The midpoint of this range is significantly higher than previous estimates.

The Australian economy, growing at a rate of around four per cent over the last three or four years since the government has been in office, has created approximately 653,000 net new jobs. As a consequence of that, the unemployment rate in this country has fallen since this government came to office from 8.6 to 6.7 per cent. If you were to have four more years of four per cent growth or another net 653,000 jobs, you would be taking that unemployment rate significantly down on its current levels. And the great news today, as the Prime Minister said, is that in the last month there were nearly 60,000 new jobs
created in Australia, making a total of 654,000 new jobs since the government was elected. It is that process of economic reform and strong growth which will keep our economy moving.

The IMF has also said that part of keeping our economy moving is the landmark tax reform package which this government is introducing—and that package has been endorsed by the IMF and the OECD. I am asked if there are any other tax packages that are being recommended to the government. There are none being recommended by the IMF or the OECD. There was one recommended, however, by one of those young Labor thinkers—and I use the words ‘Labor thinkers’ with a heavy sense of irony—the member for Werriwa, recently. The member for Werriwa apparently is in favour of a GST, but he thinks that you should have geographic areas which are GST free. So you could cross into a GST-free area and buy your Big Mac GST free and cross out of it and buy your Big Mac with GST on it. This is apparently so much that the Labor member for Werriwa was moved to pick up his pen this morning. He said, quite rightly, that one of the problems with the idea of the member for Werriwa was that it was unconstitutional—maybe in third-wave politics you rise above constitutions!—and he wrote this:

Latham has written much that is innovative. His most recent tax proposal, however, is just plain loopy.

That was the federal member for Griffith on the federal member for Werriwa. The federal member for Griffith also says this:

I am unaware of any similar geographically differentiated consumption tax regime operating elsewhere in the OECD.

He is quite right. The plan of the member for Werriwa operates nowhere in the OECD. But, if we were worried about the OECD, the wholesale sales tax operates nowhere else in the OECD either—the tax which the Labor Party has consistently been supporting. So we have the member for Werriwa who wants GST-free areas and the member for Griffith who wants the GST without exemptions. Who do you think would take the lowest road in relation to the GST, Mr Speaker? Who do you think would take the lowest road in fear and loathing on the GST? The federal member for Lilley. Now isn’t that a surprise! The federal member for Lilley is now issuing in a newspaper this document:

Wayne Swan - Federal Member for Lilley
Speech to Federal Parliament opposing the GST

... ... ...

It could be repealed today. ... We will support a repeal.

So we have got the GST-free geographic areas, we have got the member for Griffith who wants to follow the OECD and we have got the member for Lilley who is supporting a repeal!

Honourable members interjecting—

Mr SPEAKER—Treasurer, resume your seat. Member for Perth! I call the Treasurer.

Mr COSTELLO—The member for Werriwa is going to have GST-free geographic areas, the member for Griffith is going to follow the OECD practice, the member for Lilley is going to support a repeal and the Deputy Leader of the Opposition will say whatever it takes, so what do you think the policy of the Leader of the Opposition would be?

Honourable members interjecting—

Mr COSTELLO—There it is, Mr Speaker.

Government members interjecting—

Mr SPEAKER—Order! Members on my right! The member for Boothby! The member for Forrest!

Mr COSTELLO—Like a rolling stone, no direction home—how does it feel?

Telstra: Sale

Mr STEPHEN SMITH (2.30 p.m.)—My question is to the Deputy Prime Minister and Leader of the National Party. It follows on from the Prime Minister’s comments about the proceeds of privatisation of Telstra. Deputy Prime Minister, have you seen a media statement from the Federal President of the National Party, Helen Dickie, saying:

[Country people] have not seen the promised $671 million infrastructure improvements resulting
from the previous Telstra sales and they have not seen substantial improvements in Telstra’s community service standards in regional areas.

Isn’t this but one reason why the National Party is in revolt over any further Telstra sale? Deputy Prime Minister, do you agree with your cabinet colleague, Communications Minister Alston, that the member for Kennedy is a national disgrace for opposing any further Telstra sale?

Mr ANDERSON—I thank the honourable member for his question. The Prime Minister acknowledged and actually made it quite plain that the benefits from the sale of T2, as it is known—and very substantial benefits they are—will put in place reforms and updates of technology of the sort that you simply never offered the bush. You simply never even thought about offering them and, more than that, when we offered them you sought to oppose them. You stood in the way of them all the time. The Prime Minister openly acknowledged that they are shortly to start flowing—that is the reality. But, in terms of what we committed ourselves to out of T1, we have delivered big time. We really have delivered big time—Networking the Nation is benefiting rural and regional people right across Australia right now. There are a lot of people out there who are very thankful for what that has delivered, and that is not to mention the other things that we have delivered, such as the NHT.

When it comes to the question of services, the fact is that under 13 years of Labor Telstra were never required to meet any standards. They were never required to match up to standards. Phones were merely connected; if they broke down, they were fixed in the timetable sort of agreed between Telstra and the customer. We have given the industry watchdog, the ACA, the power, under part 26 of the Telecommunications Act, to actively investigate Telstra’s performance against the customer service guarantee. We put that in place and we gave it the teeth, if you like, of fines and sanctions—up to $10 million for non-performance. Labor did not deliver any of that. This newfound concern for jobs in rural and regional Australia is just so patently shallow—

Government members interjecting—

Mr ANDERSON—It is so patently newly found, as I hear one of my colleagues behind me say, that it is absolutely laughable and exposes the hypocrisy of their position.

Tax Reform: Rural and Regional Australia

Mr LAWLER (2.33 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Is the minister aware of any recent research into the positive effects of tax reform on farm businesses and rural communities? What benefits does this research demonstrate for this sector?

Mr ANDERSON—I thank the honourable member for Parkes for his question. It gives me the opportunity to point to something that I think is very important indeed and that perhaps did not quite get the publicity that it should have. There was some very detailed work undertaken by the very highly respected Centre for Agricultural and Regional Economics at Armidale, in the member for New England’s seat, towards the end of last year. As part of this analysis, the effects of the GST were tested against five typical farm enterprise situations. It is very obvious that no-one on the other side is actually interested in the outcomes of tax reform for rural and regional Australia, mainly because it actually delivers real benefits which of course they have always been prepared to stand in the way of.

We actually found that the effect in regional communities of tax changes for farm businesses is very encouraging. So often those businesses are of course the underpinning of regional economies. The centre looked at a small grazing operation, a medium sized grazing operation, a cropping partnership, a cropping company and, finally, a horticultural operation. The tremendous news is that in all five cases it found that the introduction of the GST would mean an increase in net disposable income. All five farming systems reviewed are better off, and let me quote the centre:

In fact all the analyses we have done at CARE to date have resulted in increased net disposable income under the reform tax package.
There is more good news: it is not just the big operators who are better off; the small grazing enterprise was 57 per cent better off in terms of net disposable income, the medium cropping operation was 20 per cent better off, the cropping partnership 16 per cent better off, the cropping company 22 per cent better off and, finally, the largest operation, which was the horticultural outfit, was 13 per cent better off. They are quite stark improvements in disposable incomes for farmers at a time when the sector is seeing very, very low and often negative returns on capital investment. They are in fact very encouraging, very significant figures. It is worth noting that this study involved the use of five actual farms—they were not hypothetical; they were real.

The question has to be asked in the face of this—and indeed it was referred to by the Minister for Agriculture, Fisheries and Forestry yesterday—about the ALP’s empty slate of a policy approach which contains just one commitment, and that is roll-back. Where is Labor’s roll-back going to hit the farm sector, so desperately in need of a better bottom line? Where will it be? We know that we are looking at attacks on the income tax rates—the Treasurer has clearly established that—but what of some of the other important benefits, such as the very substantial benefits to the grains industry that the minister for agriculture referred to yesterday? What about the $3.5 billion cuts in fuel excise? We still have not heard from the new spokesman for the regions over there a repudiation of the member for Dixon’s claim that our fuel cuts were nothing more than a boost to pollution. We have not had it. The only question that can be asked is: why does Labor in reality hate the bush so much that they are not prepared to commit themselves to the reforms that make a difference.

Mr Crean—You’re an embarrassment to your party, John. Do you realise that?

Mr Martin Ferguson interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition is denying the member for Calare the call. So is the member for Batman, who is warned!

**Telstra: Services**

**Mr ANDREN (2.38 p.m.)—**My question is to the Deputy Prime Minister. Minister, what representations can the government make to ensure that a downsized Telstra will maintain its call centres in Bathurst and Orange; that it will provide the fax line for small business operator Mark Newcombe of Marrangaroo near Lithgow, who has been waiting since March last year; that it will provide the extra service requested in March last year by R.W. Corkery Pty Ltd of Orange; or that it will satisfy the 85 per cent of respondents to my electorate survey of CDMA mobile phone users who consider CDMA’s overall performance worse than analog’s? Minister, if Telstra cannot meet these reasonable rural customer expectations now, what service guarantees can any government insist on if all of Telstra is sold?

**Mr ANDERSON—**I recognise that the member asked these questions in good faith. Some of them raise issues which I am not immediately aware of—

Mr Crean—Yeah, that’d be right.

Mr ANDERSON—Well, I am not particularly aware of future plans for a telecentre in Orange, and I think that all members of the House would accept that that is entirely reasonable. I will seek to see whether or not Telstra is in a position to give you any reassurance on that matter. I have to say that we are not in the business—and I do not think it is appropriate for us to be in the business—of micromanaging Telstra’s business affairs. Let me make that point.

Mr Swan—He doesn’t know either!

Mr ANDERSON—And the ALP doesn’t either! The new found concern for the regions is indeed thin, because it is so new.

**Opposition members interjecting—**

Mr SPEAKER—The question was asked by the member for Calare, and the member for Calare deserves that at least the minister should be able to answer it without interruption. The level of interjection on my left is quite unacceptable.

Mr ANDERSON—To come to the issue of CDMA, I understand the member’s concern. I think that the roll-out of CDMA,
which is a superior technology—and I do believe that, when it is completed, it will offer a level of service that is superior to that which we have had in the past—was badly hampered by the lack of CDMA transmission capacity and the fact that the old analog handsets did not work as well on analog signal as Telstra apparently believed they would. As those analog signal towers, more than half of which were left switched on into this year, are replaced by the new ones, I genuinely believe that you will see the better service that you get from the newer and better technology.

Let me come to the issue of standards. I repeat what I said earlier: the fact is that Labor never made any attempt whatsoever to do anything about setting standards and then monitoring them. That is the first point. They did not tackle this; we did. The second critical point that has to be noted and that is so often overlooked is that the ownership of Telstra is a separate question altogether from the government's capacity to set standards and insist that they be maintained.

Workplace Relations: Reforms

Mr Charles (2.42 p.m.)—My question is to the Minister for Employment, Workplace Relations and Small Business. Minister, workplace relations reform is central to employment growth, as was made clear by today's ABS figures. Could you inform the House of policies that the government is pursuing to further reform the labour market? Are you aware of any alternative policies that have been put out in the community?

Mr Reith—I thank the member for La Trobe for his question. As the Prime Minister pointed out in his answer today, one of the reasons that we have had much greater success in creating jobs is the fact that we have been prepared to reform the workplace relations system. What that does is turn the key in all of our businesses to better relationships between employers and employees, which is why the level of industrial disputes in Australia has fallen. It also encourages people at work to ask, 'What can we do at work to make our business more efficient?' If our businesses are more competitive, they will grow, they will invest and they will create more jobs. Not only do they create more jobs—and we have seen today's very good figures, with 59,000 extra jobs—but people can actually earn more pay.

The trade unions put out a document in the middle of last year which said that Australia's proudest boast was that we have increased wages for low income people. We have done that because we have been prepared to give the responsibilities to our businesses, subject to a safety net being in place, particularly small businesses, and they have really gone out there to make a big difference. We have nearly 100,000 Australian workplace agreements now, and they are working. They are helping us to create a better system, which means more jobs, and the unions' policy is to abolish them. That is going to destroy jobs, not create jobs. The non-union agreements have been working. We have nearly 200,000 people covered by those. They work, and they help to improve our businesses. The Labor Party's policy—because the unions say so—is to abolish them. We have moved away from industry-wide bargains to an enterprise focus, something which the Labor Party used to agree with.

When you have an industry-wide approach, you get problems like pattern bargaining, which is exactly the problem we have in the building industry in Victoria today, a matter about which the member is long on experience, having himself been an employer in that industry. If you have a lot of pattern bargaining you get more disputes. It is interesting—I have taken out the figures—that the average level of industrial disputes in Australia when the Labor Party was in government and running this industry-wide sector approach was 190 working days lost per 1,000 employees. Under our government, the equivalent figure is fewer than 75 days. That is a lot fewer disputes. The figures show that not only have there been fewer disputes but also they have been shorter disputes because they have been settled locally, between the people in the business.

When you look at the circumstances in Victoria, the Labor Party's policy is to go back to the industry-wide approach, which is at the heart of the problem in Victoria. So when there is a solution, an enterprise bargaining solution, they are opposed to it and
want to take us back to the days of Norm Gallagher. In the last two weeks there has been a proposal for a cooling-off period in Victoria. When that was half agreed, the unions doubled the work bans. So much for their attitude!

Mr Kelvin Thomson—Mr Speaker, I rise on a point of order. I draw your attention to House of Representatives Practice, page 476, concerning reflections on members and to the fact that responsibility for Victoria’s industrial relations now lies solely with the Commonwealth. I ask you to rule that if the Leader of the House wants to launch an attack on himself that he do so by way of—

Mr Speaker—The member for Wills will resume his seat. The answer of the Leader of the House is entirely in keeping with the question.

Mr REITH—I think a cooling-off period is a good idea, and I think it might actually help in Victoria. What is interesting is that the Labor Party has opposed cooling-off periods, both in the federal parliament and at the state level. Why? Because all the trade union bosses have to do is ring up weak leaders like Kim Beazley and give him their marching instructions. Lastly, in Victoria the state government is responsible for what happens in this particular industry because it buys a lot of product. It is a big buyer from the building industry. Instead of trying to blame the federal parliament, Steve Bracks ought to, as Mark Birrell, the shadow minister, said today, front up in the commission next week. He has the opportunity to do so. He ought to show some leadership. He ought to stand up to these unions and show them that a 36-hour week is simply not affordable. This is just a classic lesson in Labor Party politics. If you get a weak Labor leader the unions run amok, and that is a very great cost to the taxpayer. That is what is happening in Victoria, and if ever that weak leader gets in here the same problem will occur Australia-wide.

Nursing Homes: Sport Checks

Mr Byrne (2.48 p.m.)—My question is directed to the Minister for Aged Care. Minister, when did you first become aware that no spot checks of nursing homes were being conducted?

Mrs Bronwyn Bishop—I have answered this question in the House before, and I referred you to the evidence given by the chief executive of the Aged Care Standards and Accreditation Agency at the last estimates hearings.

Opposition members interjecting—

Mr Speaker—The minister will resume her seat. The minister has been asked a question and was responding to the question. Everyone, including the Leader of the Opposition, knows that it is unparliamentary for that sort of interjection.

Mrs Bronwyn Bishop—I would refer you again to the estimates record, where it is made quite plain that that is where it is.

Mr Beazley—Mr Speaker, I rise on a point of order, and it goes to relevance. The question was not what was in the Hansard but when did she become aware that there were no spot checks.

Mr Speaker—The Leader of the Opposition will resume his seat. The minister has concluded her answer.

Rural and Regional Australia: Telecommunications

Mr Hawker (2.49 p.m.)—My question is to the Minister for the Arts and the Centenary of Federation. I ask the minister to advise the House of what measures the government is taking to encourage the development of the communications industry, particularly relating to regional Australia?

Mr McGauran—I thank the honourable member for Wannon for his interest and for his question. He has been at the forefront of development of the government policies in the communications sector that saw through 1999 an increase, by some 12 per cent, in employment with the creation of 17,700 jobs. All of this is being fuelled by government policies that increase competition, that see benefits not just in job creation but also in the lowering of costs to consumers. Look at the drop in price for overseas calls, long-distance calls in Australia, local calls, calls in corporate markets and the like. There has been a reduction in the price of all telephony serv-
ices. That is because, unlike the opposition, we have moved from the old days of the PMG and Telecom into a new era of telecommunications services in Australia. As of March this year, we have 37 licensed carriers in Australia. That is competition—competition that is of tangible, material and concrete benefit to consumers. Remember that telecommunications does not involve just voice call services. Telecommunications extends to data and Internet access for Australians. There are now over 1,000 Internet service providers. That means that, over the last decade, industry revenue grew from $9 billion to $22 billion in 1999—so much so that the communications sector contributed $5 billion towards GDP in 1999 whereas in 1993, during Labor’s stewardship, it contributed only $2.8 billion.

Opposition members interjecting—

Mr McGauran—There are interjections from the opposition. What interests me about this question on telecommunications is that the Telstra announcement about the job reductions—but with corresponding commitments to service improvements, which we will hold by legislative impost, Telstra 2—was that it was made yesterday morning. Did we get a single question in this House on Telstra or telecommunications yesterday? Was the MPI on telecommunications? Was there a suspension of standing orders on telecommunications? Did any of the Labor members during the adjournment last night mention telecommunications? Worse still, Senator Alston, the Minister for Communications, Information Technology and the Arts, did not receive a single question in the Senate yesterday on Telstra and the issue of job losses. It was only because the leaderless opposition woke up this morning, saw some media interest in the issue and decided that was the issue of the day. Again, a Leader of the Opposition taking his guidance, his lead, if not from the unions overnight, from the media of this morning. While the government has policies that see the telecommunications sector arguably the fastest growing sector of the economy with real benefits to all Australians wherever they live, the opposition is leaderless, is lost and has no policy.

Nursing Homes: Spot Checks

Mr Beazley (2.53 p.m.)—My question is again to the Minister for Aged Care, and follows the previous question because we are not interested in what was in the estimates committee consideration by the agency head.

Mr Speaker—The Leader of the Opposition will come to his question.

Mr Beazley—The question is this: Minister, when did you first become aware that no spot checks in nursing homes were being conducted?

Mr Ross Cameron—Mr Speaker, I rise on a point of order. Aside from the imputations in the introductory commentary, the question is identical to the one previously asked. He cannot rake over these coals day after day after day.

Mr Beazley—The requirement is that it be fully answered. It was not fully answered.

Mr Speaker—The member for Paramatta has raised a point of order. There is nothing under the standing orders that prevents a question being asked more than once. The requirement is that the question be fully answered. There may have been opportunity for the minister to acquire additional information since she was first asked the question without notice. I call the Minister for Aged Care.

Mrs Bronwyn Bishop—I have nothing to add.

Opposition members interjecting—

Mr Ferguson interjecting—

Mr Speaker—I do not believe that as the Speaker I have to constantly call for order, including from the member for Jagajaga. I do require, as the occupier of the chair, that the minister indicate at the dispatch box whether or not she has anything to add to the answer she gave earlier.

Mr Martin Ferguson interjecting—

Mr Speaker—I remind the member for Batman of the fact that his status in this House is already under question.

Mrs Bronwyn Bishop—I have nothing further to add to my answer, Mr Speaker.
Car Industry: Exports

Mrs DRAPER (2.56 p.m.)—My question is addressed to the Minister for Trade. Would the minister inform the House of export achievements for our motor vehicle industries in the Middle East?

Mr VAILE—I thank the member for Makin for her question. Obviously, the member for Makin, with the electorate that she represents, is interested in Australia’s automotive exports. I returned on Monday from a business delegation to the Middle East, which contained 60 business leaders from Australia and had been organised by Austrade, through Bahrain, Saudi Arabia, Kuwait and the United Arab Emirates. At this juncture, I will encourage all members of the House to visit the Austrade display that is on upstairs to give you an idea of the excellent job they are doing overseas.

During the trip to the Middle East we were very impressed with the efforts of Australia’s exporters into that part of the world and the very diverse range of exports in which we are increasing our activity in the Middle East—from the food and agribusiness sectors through to services, including health, education, tourism, finance and defence equipment. But, of course, there is very strong growth in the export of manufactured goods, and particularly automotive exports, to the region. Unlike the Labor Party—and particularly the Labor Party led by Paul Keating with his ‘Asia Only’ policy, but I suppose we should acknowledge that he at least had a policy for a short period of time, unlike the current Labor Party that does not seem to have any policies at all—the coalition has established an export base beyond Asia to both the east and to the west into the Middle East region. The success of our policies is reflected across a broad range of exports.

The one thing that stood out on our visit to the Middle East was the capacity of the Australian automotive industry to be very competitive in the international marketplace. In the Middle East we saw how popular Australian made left-hand drive Camrys, Commodores and Holden Caprices are.

Opposition members interjecting—

Mr VAILE—I will come to the Labor Party’s efforts in a minute. The Australian built Camry is now the largest selling car in Saudi Arabia. Last year we shipped 23,000 Australian built Camrys to Saudi Arabia alone. While I was in Dubai a deal was struck with the Dubai Transport taxi division to buy 850 new Toyota Camrys. This is along with the 2,000 Camrys that are already in the fleet. These are Australian built motorcars. Passenger vehicles are Australia’s fastest growing export to the Middle East—almost 46,000 cars in 1999; $760 million worth of Australian cars into the Middle East. Remember that figure: 46,000 in 1999.

What was Labor’s record? What did Labor achieve in the last year in government in 1995? How many did they sell? Did they sell 20,000 motor cars? No, they did not. Did they sell 10,000 motor cars? No, they did not. Did they sell a thousand motor cars in 1995 to the Middle East? No. How many did they sell? The answer is one—$14,000 for one motor car in 1995. Compare that to 46,000 motor cars in 1999 under the policy of this government. This government has established a strong and sound operating environment for Australian businesses, and we are going to go on and improve the operating environment under which this automotive industry operates in Australia. What can exporters expect from Labor? They are asking the question now: what is Labor going to do? We have told exporters what we are going to do. We are going to remove $3½ billion worth of costs out of the system that impact on exporters. They are saying: what is Labor going to do under its roll-back policy? Which of those taxes that we are going to remove is Labor going to put back on? Are you going to roll back those tax improvement measures? Are you going to roll back the reduction in the corporate tax rate that this industry receives benefit from? Australia’s exporters need an answer from the Labor Party in terms of what it is going to do as far as its policy for the future is concerned.

Nursing Homes: Riverside

Mr KERR (3.01 p.m.)—My question is to the Minister for Aged Care. Minister, do you recall claiming in this House yesterday, in response to a specific question about the
death of a resident at Riverside Nursing Home who had received a kerosene bath, ‘I had the department refer the matter to the Federal Police.’ Isn’t it the case that the department had done no such thing; that it had simply requested a meeting to discuss the handling of complaints and findings; that the Riverside Nursing Home was not even named in the request; and that, as at close of business yesterday, the requested meeting had not yet even occurred? Didn’t the AFP advise your department this morning that they had no jurisdiction over this matter?

Mrs BRONWYN BISHOP—What I said precisely yesterday was:

I am not a doctor, so I cannot satisfy myself as to the medical condition of each patient. However, because I was sufficiently concerned that there may be matters to investigate, I had the department refer the matter to the Federal Police.

In fact, the deputy secretary of the department wrote to the Deputy Commissioner of the Federal Police in the terms that she wanted to discuss ‘the complaints and findings about Commonwealth funded aged care facilities which may involve criminal conduct in the form of bodily harm to residents. I would appreciate it if you would contact me’—and gives the number—‘or your executive assistant could contact mine’. Following that, the same departmental official forwarded to the Federal Police on the 6th of this month the Riverside report, which contained within it—and what had concerned me—

Mr Kerr—Three days after you received it!

Mr SPEAKER—The member for Denison has asked his question.

Mrs Bronwyn Bishop—Last night the Federal Police brought out a press release saying that they had in fact received that report. The concern of mine in that report was that a dying patient was described as having been bathed in the kerosene bath—that is, a bath containing 30 millilitres of kerosene—and that that person had subsequently died. For me that was sufficient concern. There is a requirement under the Coroner’s Act. The coroner has been in touch with my office today and asked that a copy of the report be forwarded to the coroner. I referred that letter to the department. The department then sent it on to the coroner. I might say that, under the Coroner’s Act of Victoria, there is a requirement for doctors who are present at or after a death to refer cases to appropriate authorities, including the coroner, where they believe it is a reportable death, which is then defined. In other words, what I said to you yesterday, and I would quote to you very simply from the Macquarie Dictionary what a reference is, if you like—or you could look it up for yourself—’to direct the attention or thoughts of; to direct for information or anything required; to hand over or submit for information; considers’.

Work for the Dole: Participants

Mr LLOYD (3.05 p.m.)—My question is addressed to the Minister for Employment Services. Minister, what is the Howard government doing to recognise the contribution to the community made by the Work for the Dole program, particularly the contribution of Work for the Dole participants?

Mr ABBOTT—I thank the member for Robertson for his question and for his support for Work for the Dole, which is one of the signature programs of the Howard government and one of its great and lasting contributions to rebuilding the civic culture of our country. For long-term unemployed people, one of the best things you can do is to give them a useful task. One of the worst things you can do is to just give them a handout. Passive welfare is cruelty masquerading as compassion; it is the kindness that kills. As Noel Pearson has pointed out repeatedly, passive welfare is the poison that destroys communities, and Work for the Dole is really an extension to broader society of a concept which has been helping indigenous communities around our country for more than 20 years. As a society, it is high time that we became absolutely determined to end the cycle of alienation and despair which usually accompanies life on benefits for people who are capable of work. We need a determination that no-one should go on Newstart and disappear into the system to emerge years later
as just another welfare statistic. This government is determined to be constantly engaged with job seekers—preferably to get them real work but, if not, to give them something useful to do. It is true that Work for the Dole is a no-frills program, but it is a first step towards empowering people to regain control over their lives; it is a step towards restoring the social contract between society and job seekers, and towards reassuring Australians that all of us have a contribution to make.

In just over two years, 57,000 young Australians have participated and 1,500 or more projects have commenced. Late last year the government decided to establish an achievement award for participants and projects. We received 90 nominations for projects and 65 nominations for participants. I am delighted to say that the three finalists—Helen Warr of Hay, Joe Rickard of Darwin and Troy Bryant of Gosford—are in the gallery today. You, may I say, represent the commitment and the civic idealism of the 57,000 young Australians who have participated. The Prime Minister will be announcing the winner at a dinner tonight.

Over the last couple of years Work for the Dole has been described by some members opposite as shoddy, as mickey mouse and as evil. I think it is time to put that kind of point scoring behind us as the former employment spokesman was trying to do. Bipartisan support for this program might be too much to expect, but surely we should have bipartisan support for the great organisations and the young Australians who are participating in the program and making the most of their opportunities. I would like to place on record today our appreciation of participants’ work, and I would like to thank them for renewing Australians’ pride in our young people and for restoring our confidence in society’s ability to find a place for everyone. I ask all members to show our appreciation of the three finalists in the usual way.

Honourable members—Hear, hear!

Mr SPEAKER—Order!

Nursing Homes: Riverside

Mr McCLELLAND (3.09 p.m.)—My question is to the Minister for Aged Care. Minister, I refer to your earlier answer to the question about Riverside Nursing Home. Is it the case that the death which your department said may involve criminal conduct in the form of bodily harm to residents occurred on 18 January of this year? Minister, why didn’t you immediately refer the matter to the coroner? Why did it take the coroner to contact you to obtain information to conduct his investigation?

Mrs BRONWYN BISHOP—I have said in this place before that I am not a medical person. It is not proper that all deaths be referred to me, any more than the minister for health is responsible for deaths in a hospital. The normal course of action is, where residential care staff or a family member believe a resident may have died in unusual circumstances, these situations are routinely referred to the relevant state or territory coroner. These referrals are handled by the staff of the aged care facility or the hospital where the death occurred. There are also, as I mentioned before, obligations on doctors who are present at or after the death to refer cases to appropriate authorities, including the coroner—and I refer you to the coroners act.

Immigration: Family Migration

Ms GAMBARO (3.11 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs. Would the minister inform the House of the importance of maintaining a balanced migration program? Minister, what would be the cost to the taxpayer if Australia allows family migration to dominate the migration program?

Mr RUDDOCK—I thank the honourable member for Petrie for her question, and I note the very considerable interest that the member for Petrie has in the need for a non-discriminatory and balanced migration program. I think it is important to recognise the way in which the migration program has changed to ensure that it is balanced, and what was the situation that we inherited when we came to office. The fact is that when we came to office the program was dominated by family reunion applicants. Seventy per cent of the places went to family reunion applicants; 30 per cent went to skilled applicants. I note that, at times when the Labor Party recognises that it is losing the argument on these
issues, it says, ‘If we were there we would have a balanced program.’ And it is important to recognise why that is the case. The first reason is that if you bring people to Australia under a skilled migration program, the impact on the budget is positive. It is something of the order of $36.7 million per thousand on the forward estimates. But if you bring people through the family migration program, the impact on the forward estimates is negative—and negative by $1.8 million per thousand. The fact is that skilled migrants have unemployment rates at about half the national average. Family stream migrants have unemployment rates at about twice the national average. So the argument is that if you bring more people through family migration to Australia, you are bringing them here essentially to be welfare dependent and without employment.

Opposition members interjecting—

Mr RUDDOCK—That is the case. And it is totally non-discriminatory to make that point, and to allege that any suggestion about those differences is in some way racist is quite—

Mr Leo McLeay interjecting—

Mr RUDDOCK—If that is the sort of allegation that you want to make, you will live with that as part of your reputation. The point I want to make in relation to this is that I am very disappointed that the Labor Party appears to be rethinking its position in relation to this matter, because the honourable member for Batman the other day had to say that he thought it would be appropriate to look at making family arrangements more flexible for regional initiatives. What people need to understand is that if a skilled migrant comes to Australia under the skilled migration program, they bring with them their wife and their dependant children automatically as an entitlement.

Mrs Crosio interjecting—

Mr SPEAKER—The member for Prospect, the minister is entitled to be heard, and heard in silence. Standing order 55 still stands.

Mr RUDDOCK—If honourable members are saying that we need to expand the program to attract skilled migrants so that they can bring their brothers and their sisters and their uncles and their aunts and their cousins, without any form of skill testing, they should recognise that those family members are entitled—and there are special initiatives in place in relation to regional Australia—to come under the Australian skill linked category. All that ensures is that they have English language competency and a skill that would enable them to get a job in the Australian labour market.

If the Labor Party is rethinking its position on this matter, let the Leader of the Opposition make it clear. He wanted to go out and parade that he had a virtue in this area by supporting the measures that the government has put in place. He was out there saying to the Australia Israel Review back in June last year that he would increase substantially migration programs ‘but I would want to test the employment issue’. He went on to say ‘I would want to see really quite high levels of success in entry to the employment market.’ If you are out there arguing that the brothers, sisters, cousins, aunts and parents can come to Australia as part of a family reunion scheme to get skilled migrants here without testing them against the labour market, make it very clear because, brother, you will all be in trouble in your electorates if that is what you are advocating.

Mr SPEAKER—I call the Manager of Opposition Business.

Mr McMullan—And Pauline Hanson has only been back in the House two days.

Mr SPEAKER—The Manager of Opposition Business will resume his seat.

Mr McMullan—Mr Speaker—

Mr SPEAKER—The Manager of Opposition Business has not been recognised. I call the member for Pearce.

Mrs Moylan—Thank you, Mr Speaker. My question—

Mr SPEAKER—The member for Pearce will resume her seat.

Mr McMullan—If you are saying I have not been recognised I am quite happy to return to my seat, but how is it then that the call goes to the other side?
Mr SPEAKER—Consistent with the way in which I dealt with government members in the first sitting week, I expect people who come to the dispatch box to ask a question to ask the question. The Manager of Opposition Business did not do that, and for that reason—

Mr McMullan—It was a preamble.

Mr Beazley—Absolutely. We had a stack of them from the other side.

Mr SPEAKER—The Leader of the Opposition!

Mr Downer interjecting—

Mr SPEAKER—I warn the Minister for Foreign Affairs. The Manager of Opposition Business came to the dispatch box and did not ask his question, so I required him to resume his seat.

Mr McMullan—Mr Speaker—

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

Mr McMullan—Mr Speaker—

Mr SPEAKER—The opportunity for the Manager of Opposition Business to ask his question has not been lost. But he has lost the call at this point in time because he defied what I expect from those who come to the dispatch box.

Mr Beazley—Mr Speaker, I take a point of order. That is inconsistent treatment. That is all there is to it.

Government members interjecting—

Mr Beazley—It is. You have got here, Mr Speaker, a minister under interrogation in this place for manifest incompetence in her portfolio, which is what question time is all about—not Dorothy Dixers and cheerios, which is what we are getting from the other side.

Mr SPEAKER—The Leader of the Opposition knows that I am exercising a great deal of restraint in hearing him.

Mr Beazley—Above all in those circumstances, equal treatment is required. Equal treatment has not been given to the Manager of Opposition Business. A warning was given to the member for Indi, which he ignored. No warning was given to the Manager of Opposition Business after the particular comments flung at this side—I might say in a fashion that was out of order—by the minister who just sat down, who was ignoring, of course, your rulings on how people ought to be addressed in this place when he did it. He was responding to that out of order proposition from the Minister for Immigration. He is entitled to exactly the same treatment.

Mr SPEAKER—The Manager of Opposition Business has not been denied the call, as I said. But I will not recognise him at this time. I will recognise the member for Pearce.

Goods and Services Tax: ACCC Guidelines

Mrs MOYLAN (3.22 p.m.)—My question is addressed to the Minister for Financial Services and Regulation. Minister, would you inform the House of any initiatives of the Australian Competition and Consumer Commission that will assist business and consumers through the transition to the new tax system.

Mr HOCKEY—I can inform the House that, following legislative changes and community and business consultation, the Australian Competition and Consumer Commission has today released its updated pricing guidelines for price changes relating to the new tax system. The updated guidelines are firm but fair. They put in place a regime that puts consumers first. They provide clear direction for businesses who are not about price exploitation. Importantly, we are protecting consumers from price exploitation or misleading and deceptive conduct. In particular, the guidelines deal with matters relating to the pricing of goods and services, price dis-
play, and enforcement and compliance issues. They clarify the principles that underpin the transition to the new tax system, including the principle that no price should rise by more than 10 per cent because of the new tax system changes.

Putting consumers first is a key part of this government’s policy objectives. I reissue a warning to unscrupulous businesses that if you try and rip off consumers you will face fines of up to $10 million. These guidelines are part of the most extensive price monitoring regime ever undertaken. The price guidelines, the price monitoring and law enforcement are the basis of the ACCC’s work.

Mr Fitzgibbon interjecting—

Mr SPEAKER—Order!

Mr HOCKEY—However, ultimately competition is the best servant of the consumer.

Mr Fitzgibbon interjecting—

Mr SPEAKER—The member for Hunter persistently and wilfully defies the chair and I warn him.

Mr HOCKEY—I say again that competition is the best ally of the consumer. It has been proven with the recent wholesale sales tax changes that delivered better than expected results for consumers when we decreased the wholesale sales tax on certain goods from 32 per cent to 22 per cent. I note that the member for Hotham is shaking his head. Well, on this side of the House, we are still waiting for the price monitoring guidelines in relation to the introduction of capital gains tax. We are waiting for the guidelines in relation to fringe benefits tax. We are waiting for the guidelines in relation to the wholesale sales tax changes that occurred under the l-a-w tax cuts. Remember those—the l-a-w tax cuts? Where was the price monitoring? Where was the pursuit of businesses that were unscrupulously increasing prices to consumers? The opposition has no credibility on this issue. Their position in relation to price exploitation is pure hypocrisy. The ACCC will pursue those businesses that try to rip off consumers.

Nursing Homes: Riverside

Mr McMULLAN (3.25 p.m.)—My question is to the Minister for Aged Care and follows that so recently asked by my colleague the member for Barton. Minister, why did you fail to quote the subsequent section of the Coroners Act, which says that a ‘person who has reasonable grounds to believe that a reportable death has not been reported must report as soon as possible to a coroner’? Given that you believed the circumstances warranted reference to the Australian Federal Police, why did you not act in accordance with that legislation? Why in fact did the Victorian coroner have to contact you to gain the information which you were legally obliged to provide to him?

Mrs BRONWYN BISHOP—This is the parliament of Australia, not the debating society of a university. It is not uncommon for Commonwealth departments to seek the advice of the AFP on issues which may involve criminal matters. The AFP have responsibility for matters where Commonwealth legislation is involved and it is a quite common occurrence for people to consult the AFP. My colleague Senator Vanstone has said in the Senate today that the department and the AFP will be meeting later this week on how the Riverside concerns and any other concerns in other homes may be addressed. She did not rule out that there may be matters for the state police or the state coroner. As I said before, the report has been sent by my department to the AFP and is being dealt with in a perfectly regular way.

Education: Targets

Mr CADMAN (3.27 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Is the minister aware of any clarifications of education targets which have been announced recently? What are the implications for the future of education policy in Australia?

Dr KEMP—I thank the member for Mitchell for his question. I know that he is concerned about the continuing confusion on the part of the Labor Party about its educational targets and objectives. We have had three national educational targets from the Labor Party in the last two weeks, all con-
tracting one another. Two weeks ago, we had the Leader of the Opposition saying that his goal was that 100 per cent of young people should come out of their teens with a post-school qualification, a lift from 13 per cent now to 100 per cent. It turned out that was a blunder, the kind of blunder that the member for Werriwa is of course well aware of. The Leader of the Opposition has a very uncertain hand in this area. Secondly, he issued a revised target: that 90 per cent of young people should leave their teens with a year 12 or equivalent qualification. Unfortunately, the member for Dobell was not listening to that. He read from a different script on Monday night and said that the target actually was equivalent to an 82 per cent year 12 qualification rate. So there is now an eight per cent gap between targets of the member for Dobell and the Leader of the Opposition. Who is right? The Leader of the Opposition or his shadow minister? The Leader of the Opposition clearly does not know. He has no grasp of these matters. He is not sure who is right. Perhaps he should ring up the union.

**Mr Howard**—Yes, Shazza.

**Dr Kemp**—Perhaps he should ring up Shazza and ask what the target really ought to be. The problem the Leader of the Opposition is facing here is that he cannot get his mind around education. For two years he was minister for education—and what was his legacy? Thirty per cent of young Australians could not read and write properly and 20,000 traditional trade apprenticeships were destroyed in one year. What one has to say is that in his heart of hearts the Leader of the Opposition knows that he has a problem, because in Peter Fitzsimons’s biography he is quoted as saying—and he is honest about this problem:

I had sort of finally to accept that I would never be defence minister again, so I lost a lot of ambition. I stopped straining—

Poor old diddums spat the dummy; he stopped straining. He went on to say:

I thought there was less capacity to achieve in that portfolio than just about any I have had.

This was when young people could not read and write properly, and the Leader of the Opposition, when he was minister for education, thought that there was less opportunity to do something than in any other portfolio. The *Sunday Age* in May 1993 summed up this educational underachiever when it said: The greatest ambition harboured by a highly relieved Beazley was a change of portfolio.

**Mr Speaker**—The minister will come to the question of targets.

**Dr Kemp**—So let us hear nothing about the educational ambition of the Prime Minister.

**Mr Beazley interjecting**—

**Mr Speaker**—If the Leader of the Opposition wants the chair’s attention, he knows how to get it.

**Dr Kemp**—This is a Leader of the Opposition who simply cannot grasp the major educational issues facing Australia.

**Mr Beazley interjecting**—

**Mr Howard**—Mr Speaker—

**Mr Speaker**—I have asked the minister to come to the question of targets, which was the question that was asked. I have not recognised the Leader of the Opposition or the Prime Minister because I had not required the minister to resume his seat. I had asked him to come to the question, which was on targets. If he has concluded his answer, I need to know that.

**Dr Kemp**—Yes, I have.

**Mr Howard**—Mr Speaker, I ask that further questions be placed on the *Notice Paper*.

**QUESTIONS TO MR SPEAKER**

**Goods and Services Tax: Seminar Fees**

**Mr LEO McLeay** (3.32 p.m.)—Mr Speaker, I have a question for you. You might remember that the other day I asked you a question about referring the House of Representatives schedule of fees for seminars to the ACCC. Have you received a response from the ACCC yet? If you have, will you advise the House? If you have not, will you hurry up and get a response before people start to pay the wrong amount of money?

**Mr Speaker**—I will ignore entirely the latter part of that question.

**Mr Leo McLeay**—I expected you would.
Mr SPEAKER—I warn the Chief Opposition Whip. I will respond to the first part of his question by saying that he would be aware that I exercised what I would have thought was reasonable courtesy to the House by coming in within two hours to respond to the Chief Opposition Whip’s first question and saying that I had, in fact, spoken personally to Professor Fels. I have not, as yet, had a reply from the ACCC.

PERSONAL EXPLANATIONS
Mr MARTIN FERGUSON (Batman) (3.33 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Does the honourable member claim to have been misrepresented?
Mr MARTIN FERGUSON—Yes.
Mr SPEAKER—Please proceed.
Mr MARTIN FERGUSON—Mr Speaker, in the House last night the member for Eden-Monaro suggested that I had misused figures prepared by the Department of Employment, Workplace Relations and Small Business going to small area labour market unemployment figures. The member was referring to statements that unemployment in the Bega Valley has recently increased from 11.1 to 16.2 per cent and in Eurobodalla from 15.2 to 22.2 per cent. Mr Speaker, the member for Eden-Monaro should be informed that the figures were produced by the Minister for Employment, Workplace Relations and Small Business’s department, not the Australian Labor Party. They are reflected in the DEWRSB small area labour markets for Australia of the December quarter 1999. I would therefore suggest, Mr Speaker, that if he wants someone to blame for the neglect of his regional electorate—

Mr SPEAKER—The member for Batman has made it known where he has been misrepresented.

QUESTIONS TO MR SPEAKER
Questions on Notice
Mr EDWARDS (3.35 p.m.)—Mr Speaker, I have a question for you. I wonder if under standing order 150 you could approach the Minister for Defence and seek an answer to two questions: 1014 and 1075.

Mr SPEAKER—I will follow up the request of the member for Cowan.

Native Title and Aboriginal and Torres Strait Islander Land Fund Committee
Mr SNOWDON (3.35 p.m.)—Mr Speaker, I have a question for you. Is it a fact that copies of the Hansard record of proceedings of the Joint Parliamentary Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund hearing on 22 and 23 February 2000 were requested by and provided to the Prime Minister’s office or his department in advance of them being made available to all members of that committee?

Mr SPEAKER—I will follow the matter up and respond appropriately to the member for the Northern Territory. It is a question that could have been placed on the Notice Paper, but I will follow it up.

Mr SNOWDON—Further, Mr Speaker, could you ascertain whether these Hansards were made available to any persons or agencies other than those who may have given evidence on that day? Could you investigate whether or not, if they were, this may prima facie be a breach of privilege?

Mr SPEAKER—Matters of privilege would need to be raised separately, so I will not in fact comment on that, but I will follow up the points made by the member for the Northern Territory and come back to him.

Questions on Notice
Mr DANBY (3.36 p.m.)—Mr Speaker, I have a question for you. Under standing order 150, would you please write to the Minister for Health and Aged Care, Dr Wooldridge, concerning an answer to my question on the special exemption he has given to tobacco advertising at the Melbourne Grand Prix? Mr Speaker, it is more than 60 days since I placed this question, 1081, on the Notice Paper.

Mr SPEAKER—I will follow that matter up with the minister.

ANSWERS TO QUESTIONS WITHOUT NOTICE
Telstra: Services
Mr ANDERSON (Gwydir—Deputy Prime Minister) (3.37 p.m.)—Today at question time the member for Calare asked me a
question about Telstra’s ability to guarantee the proposed call centres for Orange and Bathurst. I have sought further information on that matter. I am advised that Telstra is considering some changes in relation to the 290 call centres that it runs across Australia. It has not yet finalised the details. However, very interestingly, the CEO of Telstra has said that there are some significant arguments in favour of a greater presence of call centres in regional Australia. He listed three reasons: that the labour costs are lower in regional areas, that the loyalty of the work force is greater in regional areas and that technology now enables call centres to be operated from regional areas. I am sure that all of those reasons will be taken into account by Telstra in consideration of these matters.

QUESTIONS TO MR SPEAKER

Privilege

Mr KERR (3.38 p.m.)—Mr Speaker, you will recall that during the first week of sittings I raised with you a matter on which I sought your advice as to whether it might have constituted a matter of privilege. That matter was, I think, passed on by you for further report from the chair of the committee that was first associated with the issue.

Mr SPEAKER—That is so.

Mr KERR—I wonder whether you are in a position to report to the House whether you have had any such advice and, if you have not, whether you might follow this matter up again so that we are able to take consideration of it by your report to the House.

Mr SPEAKER—Yes, I will do that. I consider that matters of privilege ought to be dealt with urgently.

Questions Without Notice: Editorial Argument

Mr ROSS CAMERON (3.39 p.m.)—Mr Speaker, when you sat the Manager of Opposition Business down today, it was suggested that your treatment of him had been inconsistent with your treatment of the member for Indi.

Mr SPEAKER—The member for Parramatta will come to his question to the chair.

Mr ROSS CAMERON—The question is that the practice of making an editorial argument before a question is now absolutely habitual on the other side, and in the interests of consistency could you please extend it to government members as well?

Mr SPEAKER—The member for Parramatta will resume his seat. The member is in fact reflecting on the capacity of the chair to make judgments of its own initiative. I would ask him to exercise a little more restraint.

Visitors Gallery: Pram Access

Ms BURKE (3.40 p.m.)—Mr Speaker, I ask that you inquire why prams are no longer allowed in the Visitors Gallery. Is the House no longer family friendly?

Mr SPEAKER—I will follow up the matter raised by the member for Chisholm. It is certainly not the intention of the House to be anything other than family friendly. The presence of the member for Chisholm’s child in the chamber this morning was brought to my attention. I recognise that that occurred during a division, and in recognition of the fact that this is a family friendly place I did not think the matter ought to be pursued any further when divisions oblige a number of us to come in a hurry. I do want a family friendly parliament and will follow up the issue she has raised.

Ms BURKE—Mr Speaker, I thank you very much for that and for the indulgence of the government today. It was a division and I was caught short. But my question is in respect of prams in the Visitors Gallery upstairs.

Mr SPEAKER—I understand the nature of the question. I was simply reflecting on the family friendly status of this building as an opportunity to make the point that I just made.

PAPERS

Mr Reith—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Telstra: Services

Mr SPEAKER—I have received a letter from the honourable member for Brand proposing that a definite matter of public im-
The failure of the Government to ensure that communication services to rural and regional Australia will not fall as a result of the 10,000 job losses announced by Telstra.

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 BEAZLEY (Brand—Leader of the Opposition) (3.42 p.m.)—Over their Weeties this morning there must have been thousands of Australians in regional and rural Australia and thousands of Australians in the suburbs of Australia shaking their heads in wonderment when they see one of the great institutions of this nation declaring a half-yearly profit of $2.1 billion and simultaneously announcing the sacking of 10,000 workers and possibly, with the privatisation of a central service, a central business activity within their structure, the loss of another 6,000. They must be asking themselves the question: who matters? Do they, who happen to be the 51 per cent shareholders of Telstra, matter at all or is some predilection to ignore community obligation and ignore the people who have produced the outcome to rule the day? It is small wonder that so many people in this country are asking themselves this fundamental question: if the economy is so good, if things are going so well, if this company is so profitable, why do I and my family not feel better off and why, every time we work to produce a great outcome, do jobs get lost?

The Prime Minister thought he made a point in question time about restructuring of Telstra into business units associated with corporatisation back in 1991-92. The fact of the matter is that there were at least 30,000 more people working in Telstra at that point of time prior to its privatisation—at least 30,000 people more. If these two changes occur, it would have been 46,000 more people working in Telstra at that time. And when you required a tech or a liney to put a service into your home in the bush, there was some-one there capable of responding in under three months. That was what was occurring back in 1991 and 1992.

When you hear the cold-hearted attitude of the minister in this area, the Minister for Communications, Information Technology and the Arts, in which he set aside all these issues related to Telstra in his argument simply about the only issue optimising shareholder value as far as Telstra was concerned, what you had was the authentic position of this government: of the few, by the few, for the few, against the many. That is the position of this government. That is the only sincere commitment that they possess and they will find every sort of argument they can conceivably muster to obfuscate, conceal and put a smokescreen over the underpinning reality. They will tell the bush that they are all right, they will tell those in regional Australia that they are all right and they will act exactly contrary to it.

What a marvellous corrective it was to hear in question time today the question asked by the Independent member in this place directly related to the threats to operations within his electorate and more particularly to the declining performance of Telstra technologically in his electorate—to blow away the lies, the deceits, the obfuscation that have accompanied what is an ideological objective of this government, as opposed to an objective to serve the interests of most Australians in this area of Telstra’s performance.

It is a weird thing for us in the Labor Party to be in this position. We are the pragmatists. We are the people who take the concerns for ordinary Australians and are prepared to set aside ideology to balance those concerns. They are the ideologists who will use they ideology to drive every position, irrespective of the impact it has on ordinary Australians. There was once a time when the Labor Party’s governing principle was the socialisation of the means of production, distribution and exchange and our support for government ownership was there irrespective of whether or not a community interest was served. We would argue against those who proposed to shift things out of the community sector, irrespective of whether or not a com-
munity interest was served. We are now the pragmatists. We are the ones who say that we maintain things in public ownership only when a community interest is served by doing so and it is our opponents who are out there arguing that, irrespective of whether or not a community’s interests are served, it is out.

Telstra is the closest thing to a monopoly operating in any important sector of economic activity in this country. In the bush, in regional Australia, it is a monopoly in its operations. What this government is hell-bent on doing is privatising a monopoly, to shift out of the area of service delivery the operations of a government institution, critical though it is to thousands and thousands of business opportunities around this country, critical though it is to the lifestyles and needs of every single ordinary Australian, shifting it out of the public sector for one reason only: their purblind ideology. That is what is going on here. The needs and interests of regional Australians and all Australians are being sacrificed on the altar of the Liberal’s obsessions. And whenever they sacrifice it on the altar of Liberal obsession, they put out a bribe to do it.

We have already seen the attitude of the Auditor-General to a bribe associated with the environmental issues. He has already had cause to comment on that. When the Auditor-General was similarly harsh on one of our number on those sorts of matters eight or nine years ago, that person left the ministry. The persons concerned here—Alston, Hill and Howard—continue to ride rampant. What Australians found from that Auditor-General’s report was that Telstra was privatised of course to serve an ideological objective of the government but more particularly, in accompanying that, they found pork-barrelling of the electorate by individual Liberal members to secure an outcome for the Liberal Party in an election campaign. Australian silver was not sold off purely to retire Australian debt—which in public debt terms was and remains the second best position in the industrialised world—but sold to provide the Liberals a political opportunity. You can fool all of the people some of the time, but you cannot fool the bush and regional Australia on this any more. They know that that disappeared like the snow in spring in the Northern Hemisphere. They know that any value from those programs disappeared overnight. Whatever comes of that $671 million—which is yet to be delivered to them, as the National Party president pointed out—whatever particular communications facility is developed under that program, they know that its technology will be obsolete within 10 years, if not two, and who will have concern for them then? The retreating monopoly provider—will it have concern for them then? Of course it will not.

I do not have much time for the member for Kennedy. I have probably even less time than Senator Alston when he describes him as a ‘national disgrace’. But he and one or two others on that side of the House are beginning to understand exactly what this policy means. You can roll over a wretched, dumb Liberal and National Party caucus, in question time you can get your Dorothy Dixers up to throw out confusion upon the Australian people—after all, you have been doing that about the GST for three years—but sooner or later reality comes home. The people who experience that reality are those in the bush and they are experiencing it now.

One of the many differences between us and our political opponents is that we actually talk to workers. We get out there and have a chat to them about things which are going on. We have had conversations with a few workers in Queensland, for example, which is probably our most decentralised large state. You talk to the techs and lineys that are left now in Telstra—and there are not many of them in the bush—and it is true that they can make a bit of money. It is even true that those who are rehired can make a bit of money—but it is not the whole lot of them, I can tell you that. They point out that you have got one tech and liney covering hundreds and hundreds of square kilometres. They cannot do it. They do it in the only way that is possible for them—very slowly. That is how they do it. And so we get results like those from the Australian Communications Authority, which identified in December that, while it had found some improvements, there were systemic problems in the delivery of
Telstra services such as new phone connections and fixing faults.

Last September we heard that, of the connections of new services in major rural areas without infrastructure, only 42 per cent in the Northern Territory and 47 per cent in Tasmania were met within the customer service guaranteed standard timeframe—less than half. The claim is not confined to remote areas. Nationally, only 63 per cent of all new connections requested in urban areas without infrastructure were connected within one month, and in major rural areas only 56 per cent of new connections requested in areas without infrastructure were met within the one-month guaranteed time frame. As well, payphone fault clearance times have increased to an average of 42 hours, and 18 per cent of all payphones failed to meet service standards during this period. So, if you live in rural and regional Australia at the moment, Telstra cannot even supply decent telephony services, let alone provide the decent data services that are urgently needed to start up new businesses and revitalise traditional industry.

The truth of the matter is this: whilst roads and bridges are important, whilst one or two of the items that have been picked up under the various pork-barrelling schemes put forward by our political opponents are important, there is nothing now more important in regional Australia than two things: a skilled population and bandwidth, which is associated with telecommunications. You have to have substantial bandwidth if you are going to get substantial access to data, which will dominate telephony—I was going to say over the course of 10 years—forever. Folk who want to establish businesses no longer require just telephones—which even now are not being properly delivered—but require much more complex communications than that, which cost millions of dollars to impart. They will not be imparted on a commercial basis, and that is all there is to it if they are going to get to those regions. There will have to be statements of deliberation. There will have to be acts of deliberation that may well go against the commercial interests of Telstra from time to time if those services are going to be delivered and if the bush is going to get what it needs to exploit skills and develop new industries in those areas.

It is all very well for the Deputy Prime Minister to come in and say that the government will be sensitive to the issue of call centres in the bush. Hands up everybody who believes that there will be the same number of call centres in the bush after these 16,000 jobs are gone. Hands up all of those who believe it—we want to see a few people classify themselves as dopes in this place. They might as well get on with it, because of course it will not happen. The time has come for the Prime Minister to ante up on his red light for regional Australia. This is the first of the flashing red lights. This is still an entity majority owned by the people. This still comes within the framework of government services. This is where the Prime Minister drew the line—if, of course, this is a core promise. We have a strong suspicion that it is a non-core promise. We have every intention when we get into office of making absolutely certain that Telstra performs the functions that the people in regional Australia need, and they can get no guarantee of that from anybody but the Australian Labor Party. The National Party may writhe and complain about it, but only we will deliver. (Time expired)

Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (3.57 p.m.)—This is a very important debate, and I listened intently and closely to the Leader of the Opposition's contribution. I suggest all honourable members or anyone interested in the subject matter—which should include most Australian citizens, particularly in regional areas—should read the Hansard, for no amount of shouting, ranting, raving and bluster is going to mask the fact that the Leader of the Opposition said nothing. What was the take-out from his contribution? What was the policy solution for addressing weaknesses, errors and omissions on Telstra’s part where they occur in regional Australia? Consequently, the Leader of the Opposition has no more credibility on this issue than does his shadow minister for communications, whom I will come to in a moment. The only possible—and I am being generous here—policy development in that
whole 15 minutes was the last sentence, when he committed a Labor Party in government to ensuring that Telstra would adequately service regional areas. I have heard of motherhood statements before and blanket generalisations, but that comes close to taking the prize.

However, let us take it seriously and see it as the sum total of the opposition’s policy on Telstra and regional areas. It is one sentence. It is not a paragraph and it is certainly not a full page; it is one sentence. But let us look at it, analyse it and dissect it. How will he adequately ensure telecommunications services to regional areas? Let us look at his record in government to give us a clue. Did he have legislated minimum service guarantees in legislative form? No, but this government does. We ensure Telstra will properly serve our constituents in rural, regional and remote areas by legislative impost. We introduced it with financial penalties to Telstra for failing to connect or repair within given time limits. Furthermore, we gave the Australian Communications Authority massive powers to fine Telstra and other carriers up to $10 million for repeated breaches of such standards. We have a legislative guarantee in place.

Will the opposition go beyond that? Of course not. Are they suggesting that they are going to interfere with the management of Telstra? Will the management of Telstra be run out of the member for Perth’s office? Are we going to have a commissar Smith directing Telstra when a marginal seat holder might get on the phone and say, ‘I object to Telstra shifting people,’ or ‘I object to Telstra not installing a call centre’? Will the member for Perth become the de facto chief executive officer of Telstra? If he is not going to, then the Labor Party is going to ride in on our legislative framework. But there is no clue as to whether or not the Leader of the Opposition has the courage to direct Telstra. I would say not, on the evidence available to us. The member for Perth in a recent meeting with Telstra—which was fairly heavy, according to all reports—told Telstra they were not to spin off any businesses and they were not to sell off anything. The member for Perth’s meeting with Telstra has been reported and much talked about. He might like to enlighten us about his recent meeting with Telstra in which he told them that they were not to sell off any parts of their business and that they had better not oppose him on this. That is quite different from what the Leader of the Opposition told the *Sydney Morning Herald* on 11 February this year: He is prepared to allow Telstra to float off parts of their business. He said:

Telstra has to conduct its affairs as it sees fit.

So he does not intend to micromanage Telstra. He is not going to direct Telstra where jobs can and cannot be. Instead he will rely on our legislative framework. If the opposition think that anybody on this side of the House is going to defend each and every aspect of Telstra’s relationships with their myriad customers, he is wrong. There are aspects of their business that are unsatisfactory, and yesterday Dr Ziggy Switkowski gave a commitment that year by year there must be set standards of performance improvement. We will hold him to that. We will ride Telstra on its service delivery for rural and regional customers—make no mistake of that.

I might be mistaken but Mr Col Cooper, the President of the Division of Communications within the union, CEPU, has told the *AM* program on the ABC recently that standards have improved generally. So standards have improved generally, according to the chief union official, the one who gives his orders on privatisation to the opposition, but he is joined by the member for Perth. The member for Perth put out a press statement on Monday, 20 December congratulating Telstra on its improved service levels.

**Government members**—Oh!

**Mr McGauran**—Across the board Telstra has some aspects of improvement, according to the independent umpire and legislative enforcer, the ACA. However, listening to the Leader of the Opposition during his speech on the MPI, you would think that Telstra’s service levels were about to come down crashing around its ears. But the government still does not accept that Telstra has come near enough to servicing our constituents.
Will the Leader of the Opposition come clean on this? No, of course he will not, but let us put one more final plea to him. Tell us this: is he going to run Telstra as his own business or allow Commissar Smith to do it? The member for Perth is certainly angling for it; he is bidding to become a direct influence on the business aspects of Telstra. And what will that do to the share price? Let us see what that does to the Telstra share price and what effect that has on the 2,200,000 Australians who have shares in Telstra. Political interference in the running of Telstra—that is all they need to see their hard earned investment deteriorate. But that is what it has come to because the Leader of the Opposition has no policy solution to aspects of delivery failure beyond what the government has done and what the government is enforcing, and still we see contradictions and inconsistency on the part of the opposition as to how to handle Telstra.

They have got form on Telstra. That has been revealed recently by the former Prime Minister, Paul Keating. He told the Adelaide Advertiser on 13 February last year that governments do not need to own phone companies. The veil slips: he was the one who, according to the Business Review Weekly edition of 21 December 1998, summoned the BHP managing director, John Prescott, to Canberra to invite BHP to buy out Telstra. So it has always been bubbling away with within Labor ranks. The member for Dobell, the minister for communications at the time, will remember all of this inconsistency because in his draft policy for Labor’s 1994 National Conference he said:

Labor wants to protect core businesses of Telecom but will leave open the future activities which are regarded as non-core.

So there is a privatisation agenda within the Labor Party, but they will never be honest about it. They are hypocrites. They will promise never to privatise—Qantas, Commonwealth Bank, the airports authority and the like—until after an election and then they will privatise within an inch of their life. There is no doubt at all that Telstra’s future is uncertain under the Labor opposition because they will not tell the Australian people their true plans. It goes across the board: the member for Werriwa and the member for Melbourne, in their respective studied discourses on public policy and politics, hint, imply or state outright that Telstra should be privatised or at the very least broken up into its component parts, namely the directories, the mobile phone service, BigPond and so on. Telstra must be able to compete in an international marketplace. They estimate that their productivity is 15 per cent off the speed and they must improve their performance if they are to compete with so many other carriers that we have introduced into the marketplace.

The other myth to destroy is that job numbers are linked to productivity, efficiency and customer service. They clearly are not. Of course, the ACA is the arbiter on this question. The Australian Communications Authority has released a graph which shows that, when Telstra was at its maximum number of staff, its customer service on different criteria was lower than its present level of staffing at 52,000. When there were 78,000 staff, their new service connections, their in-place connections and faults cleared on time were lower and worse than when they had 25,000 fewer staff. There is not a correlation between staff numbers and customer service and satisfaction.

Good old Col Cooper of the CEPU let the cat out of the bag when, in the Senate Telstra inquiry, he advised them, as reported in the committee report of September 1996:

On the figures that have been put to us, we have agreed in some areas that there can be staff reductions. We have been through all of these processes with new technology.

Technology is the issue, and the coalition government is supplying services for regional and rural Australia in a way that has not been done before. It has been done from the proceeds of the partial sale of Telstra. The Networking the Nation board is going to consider a number of social bonus areas in May. Look at what they are going to decide on and allocate: $36 million to provide affordable Internet services for all Australians, $70 million for building additional rural networks, $45 million for the local government fund...
and $20 million to meet the telecommunications needs on remote island communities. It goes on and on. There is $25 million to extend the mobile phone coverage along the highways, a $120 million television fund and the Rural Transaction Centres Program is funded to $70 million. And it goes on and on. The Labor Party is not interested in tangible benefits to rural and regional Australia; otherwise we would have got some commitment from the Leader of the Opposition. It is just hot air. The Leader of the Opposition thinks that by shouting into microphones he will somehow impress an audience or con them into believing he has an answer to any of the issues that are raised.

Opposition member—Country people can see through that.

Mr McGauran—Country people are pragmatic. They can see through that, and they know very well that the Leader of the Opposition knows, on behalf of his party, that there is no policy solution to issues relating to telecommunications or elsewhere. The Labor Party privatised everything that it could get through the caucus, and now it is going to interfere with Telstra in a micromanagement way. Labor has always ignored the regional interests and concerns of regional Australia. The proportion of telephone exchanges in regional Australia which have been upgraded to digital was much lower than in metropolitan Australia during Labor’s years. People in regional Australia suffered from very low bandwidth telephone access, making it impossible to access the Internet satisfactorily. The availability of advanced ISDN telephone services in regional Australia was low compared with what was available to metropolitan users. Labor forced the closure of the analog network without any replacement. It took this government to work with CDMA so that people in country areas could continue to receive mobile phone coverage. To top it all off, in the 1998 election Labor threatened to close down the regional telecommunications infrastructure fund which has brought new services to country people and stimulated a great many regional and rural businesses.

The coalition’s telecommunications policy fosters real competition, which provides real benefits to consumers in regional as well as metropolitan areas because they have a greater choice in service providers. Significant price reductions have occurred. During our time especially, untimed local calls have come down to as low as 15c, STD charges have dropped as much as 45c and international charges by as much as 80 per cent.

The Leader of the Opposition has seized on this as the issue of the day, but it will blow away as quickly as his meaningless contribution. He leaves nothing solid in his place, apart from himself. He simply draws on anything available to him to get through the moment of the day. He contributes to debate in a meaningless way, because he leaves none of the listeners any wiser to what commitments he is making on behalf of his party. For that reason, the Labor Party has no contribution on this issue whatsoever.

Mr Stephen Smith (Perth) (4.12 p.m.)—When Telstra advised the government of its $2.1 billion half-yearly profit and 10,000 job losses, the government cheered. They cheered when Telstra told them, and they are still cheering today. Not only did they not do anything about it, they actually cheered. They popped the champagne corks, and they cheered over 10,000 job losses. Out came the champagne corks. They are cheering and sipping champagne to the news of 10,000 job losses. The majority shareholder actually cheered at the thought of a $2.1 billion half-yearly profit and 10,000 job losses.

What became crystal clear today in question time, and from the comments of the CEO of Telstra, Dr Switkowski, was that the government was told and did nothing. We have heard in advance, and subsequently, from the Minister for Communications, Senator Alston—leaning back in the chair, bragging about the profit and cheering at the thought of $2.1 billion and 10,000 jobs down the gurgler. Today we saw the Prime Minister tear up his Nyngan declaration. He toured the bush a day after he made his Federation speech, and he handcuffed himself to the full privatisation of Telstra. He made his Nyngan declaration, saying that a red light will flash if any Commonwealth service is at risk of
being denuded. Commonsense tells you that if 10,000 jobs go from Telstra, the majority or the bulk of those will go from rural and regional Australia. That will mean a diminution in the services to rural and regional Australia, and the Prime Minister is sitting there, the red light flashing, but doing nothing. His Nyngan declaration has been torn up.

What do we see from John Anderson, the Deputy Prime Minister, the Minister for Transport and Regional Services and the so-called Leader of the National Party? He is not a Leader of the National Party like leaders of old of the National Party, not like Hunt, not like Nixon, not like Sinclair or Anthony snr—not like people who would stand up to the Liberal lawyers from Melbourne and Sydney who currently run the government’s telecommunications policy. We know what they call him in ‘cocky’s corner’. You know, ‘Ken from Red Hill’, the Leader of the National Party who will not stand up for rural and regional Australia.

Mr Hockey—Mr Deputy Speaker, I rise on a point of order. I take offence at that slur on behalf of the Deputy Prime Minister, and I ask you to ask the member to withdraw.

Mr DEPUTY SPEAKER (Mr Jenkins)—In this instance, unfortunately, I was momentarily distracted. I did not actually hear what was said, but if there was any offence it should be withdrawn. Importantly, I would remind the member for Perth to refer to honourable members by their titles.

Mr STEPHEN SMITH—Mr Deputy Speaker, I may well be able to help the House. I am simply repeating what they say in cocky’s corner. If that is offensive to the minister at the table, I am quite happy to withdraw it and just leave it to cocky’s corner to say, which they do. What did the Deputy Prime Minister have to say today? This morning on the Today program he was asked a question which was: won’t this inevitably lead to job losses from the bush? He said:

... we’ve not been told where the job losses are but they cannot, inevitably, mostly be in rural areas, they really can’t.

So what do we know about the Deputy Prime Minister? The government was advised by Telstra of the 10,000 job loss figure. He neither asked for detail nor could he tell where those job losses would fall, and as a consequence he refused to give the guarantee today that rural and regional Australia would not bear the greater burden of the majority of those job losses.

At the heart of this is: what is this public policy debate about? This is a public policy debate about whether Telstra ought to be privatised or not. There has been a clear and stark contrast between the two main political parties on this issue for some considerable period of time. I was elected to this parliament in the 1993, 1996 and 1998 elections. At each of those elections, together with my party, I campaigned opposing the privatisation of Telstra or the further privatisation of Telstra. And at the next election, Mr Deputy Speaker, you can rest assured that we will again campaign opposing the further privatisation of Telstra. But what did we say would be the consequences of privatising Telstra? We firstly made a point about the one-off return you might get from flogging it off as against a dividend receipt. Secondly, we made the point that service levels would invariably fall and rural and regional Australia would suffer.

Let us have a look at the dividend question. This is a half yearly profit announcement. This is $2.1 billion, which follows on a $1.8 billion half-yearly return for the previous six months. That is $4 billion in the course of one year. When the government flogged off one-third of Telstra, it got $14 billion. So a one-off flog-off for a third of Telstra gives you $14 billion, and Telstra gets a $4 billion profit for one year’s operation. When the returns come in for T2, for the 49.9 per cent privatisation of Telstra, that will probably come in at $16 billion. So we are looking at about $30 billion. You get a $4 billion profit in one year and $30 billion for flogging off the asset to 49.9 per cent.

Put, then, the proceeds of the privatisation that are said will be spent in the bush, the bribes for the bush, into context. The $4 billion one-yearly profit that we saw announced yesterday and six months ago is more than double the proceeds of the 49.9 per cent privatisation that is proposed to be spent in the
bush. That is more than double. So Telstra’s one-year profit is more than double the proceeds that will go to the bush to improve the bush in one go. You flog off 49.9 per cent and you spend less than half of the money that you get from Telstra’s profit in one year. What do we know about those proceeds? We know today from the National Party. The Deputy Prime Minister and Leader of the National Party will not stand up for rural and regional Australia so the National Party administration has to. We see that today the National Party Federal President, Helen Dickie, released a statement saying that they have not seen the benefits of the first privatisation yet. They have not seen any improvement in Telstra’s service so far as service levels are concerned. She said:

These must be fully met before the National Party will consider supporting any further sale of Telstra.

It would be nice to hear that from a National Party member of parliament other than the member for Kennedy, on whose behalf the Leader of the National Party refused to disassociate himself from the remarks of the Minister for Communications, Information Technology and the Arts, who said that the member for Kennedy is a ‘national disgrace’ for simply uttering the unremarkable: that he does not believe it will assist rural and regional Australia and his constituents in North Queensland if Telstra is further or fully privatised.

The minister for the arts, representing the minister for communications, when talking about service levels, referred to a press release that I issued on 20 December 1999. This has been used disingenuously, both by him and by Senator Alston, to somehow suggest that, on one occasion, I have said that the service problem of Telstra is solved. That press release is headed ‘Report shows first sign of progress on Telstra service levels, but there is still a long way to go’. This was a release which came out on the day that the ACA returned its findings from its formal investigation into Telstra’s breach of its USO and customer service guarantee matters. The ACA report said that Telstra had been in breach of those obligations and that there were long-term, systemic problems that had to be addressed over a long period of time. I made the point that one swallow does not make a summer. Neither the minister here nor the minister for communications in the Senate should seek to disingenuously use that press release to do anything other than to draw attention to the ACA report into the failure of Telstra to adequately meet its service levels.

Let us see what some people in the National Party, other than the member for Kennedy, have been saying. The member for Kennedy, of course, said that those who believed that the plan to cut 10,000 jobs would not adversely affect rural and regional Australia ‘would believe the abominable snowman lives near Mt Isa’. Senator Boswell said today that the announcement was ‘an unmitigated disaster’. He said:

There’s nothing flash about the services in rural Australia now. They are very very mediocre. On top of that, you are going to have to get $670 million spent. How are you going to do that with 10,000 less people?

As a public relations exercise on Telstra’s behalf it is an absolute, unmitigated disaster.

The problem for the National Party is that they will not stand up. We find the member for Kennedy here and Bozzie up in the Senate saying things, but when are we going to find the National Party minister for the arts, when are we going to find the minister for agriculture and when are we going to find the National Party leader standing up to the Liberal Party lawyers from Melbourne and Sydney, who run the communications policies for the coalition, standing up for rural and regional Australia and drawing a line in the sand, saying, ‘Telstra cannot be further privatised. The partial privatisation of Telstra has been a disaster for rural and regional Australia’? There is a key point here: at the next election, the Australian Labor Party will campaign on keeping Telstra in majority ownership and ensuring that service levels, jobs and services in rural and regional Australia are properly, adequately and equitably met. (Time expired)
Mr NEVILLE (Hinkler) (4.22 p.m.)—The very structure of today’s MPI resolution is a nonsense. It seeks to damn the government for its failure to ensure that communications services to regional and rural Australia will not fall as a result of the 10,000 job losses announced today by Telstra. How could the government be responsible for the announcement that was made 24 hours ago? Less than five hours ago we were still being briefed by Telstra. The member for Perth barely addressed the core question. He was more interested in going on with a very doctrinaire view on how the returns from Telstra might work and justifying his own press release. Big deal! Furthermore, the opposition fails in the other task implicit in this resolution, and that is to demonstrate how the loss of the 10,000 jobs or a proportion thereof will impact on regional Australia. In fact, a Telstra executive made it clear at today’s briefing that those areas of service sensitivity in regional Australia will not be deprived of staff. That was made very, very clear.

That aside, let me compare the government’s performance with the opposition’s performance when in power. Labor flirted with the selling of Telstra, and anecdotal evidence suggests that it was spoken of at the highest levels of Telstra and the highest levels of the government. I will remind you that, at the time, the minister was the current Leader of the Opposition. What is more, we have today Paul Keating’s view that governments should not own telephone companies. He did not just adopt that view since he was tipped out of government. He has probably held that view for a long time. Anyone who knows Paul Keating would know that he had held that view for a long time. Labor has form in this area. It privatised Qantas, it privatised the Commonwealth Bank after saying it was too sensitive as the Commonwealth Serum Laboratories. Why would it not extend this to Telstra had it retained office?

There are two aspects of facilitating communications in the regions: one is price and the other is the operational integrity of the system. Let us deal with the first. Labor failed to address the Telstra-Optus duopoly which did not deliver substantial price reductions. It is only in comparatively recent times, as more players have come into the telecommunications field, that the cost of local calls has come down for the benefit not only of city people but also particularly of country people. During our time in government, untimed local calls have come down as low as 15c; STD charges have dropped as much as 45 per cent and international calls have fallen 80 per cent. In addition, in our first term of government, we delivered the Networking the Nation program and the $761 million Telstra 2 social bonus. Though we admit that it has not been completely delivered yet, it is one of the biggest initiatives for regional and remote Australia. Labor had nothing comparable with this. The government has provided up to $150 million over three years for untimed local calls in extended zones in remote Australia, which will mean that all telephone calls within the extended zone will be untimed local calls.

Other elements include $70 million for the Building Additional Rural Networks program, which will support the development of new networks, network services and products. Examples of services that could be supported include satellite services, wireless local loop systems, network access points and mobiles. The $36 million Internet access fund has been put in place to help ensure that all Australians have access to the Internet on untimed local call rates or at least the equivalent. There is also a local government fund to support regional and rural local government authorities to use advanced telecommunications and an isolated island fund has been set up for remote island communities. These are all financial measures for the people of regional Australia. Money has been set aside to extend the mobile telephone coverage—that comes under the RTIF—and, as I said before, for untimed local calls in extended zones. This, of course, is in addition to things that have happened in broadcast communications—over and above telecommunications—like addressing television black spots and extending SBS and general television coverage.

Let us look at the other side of this: the operational integrity of the system. Labor’s great concern for rural Australia was dis-
played in its abysmal handling of the AMPS—or, as most of us know it, the analog mobile phone system. Labor mandated for it to close on 1 January 2000 before ensuring that an adequate replacement system was in place. Had it not been for this government negotiating the installation of CDMA, literally thousands of phone users in regional Australia today would be without telephony services. It defies comprehension how any responsible government could have left the rural people of this country in such a vulnerable situation.

I heard the member for Calare today—and I am sure he is a very sincere gentleman—criticise the CDMA, and then the Leader of the Opposition parroted his question. When you roll out a system as big as that in so short a time there will be some installation and operational glitches as the system beds down. But I can tell you some good stories. I can tell you of the farmer who has a shed fairly well removed from his house—in fact, he is the president of my Rotary club—who said that he could never get an analog or digital signal into the shed, but he can get a CDMA one. Another one is a motel broker and farmer who goes up and down the east coast of Australia. Not only did he tell me that CDMA is better; he told me the exact spots where he gets a CDMA signal where previously he did not get analog signals. Another aspect that needs to be considered is that Labor had no mechanisms to ensure that carriers had to provide timely and efficient service to their rural customers. There was no mechanism in place to demand that phones be connected, reconnected or maintained. We have done this by legislative impost, as the minister said in his earlier address.

Telstra’s downsizing began not with this government but very clearly under the Labor government. Not only was Labor in power, not only had Telstra not become a corporation but it was under 100 per cent Labor control. And who was the minister? The now Leader of the Opposition. How many jobs went between 1991 and 1994? Seventeen thousand jobs. The worst gutting of Telstra came under a Labor government with 100 per cent ownership control. How can the member for Perth go on with all this doctrinaire drivel that he goes on with at the dispatch box? Today you had the Leader of the Opposition all pumped up with righteous indignation, accusing us on this side of blind ideology. I would rather be addicted to blind ideology that had a policy and was delivering something than be a vacuous doctrinaire opposition that has up to four positions on something as simple as the GST. Do not come in here and lecture us on ideology or doctrinaire positions.

Both sides of politics recognise that Telstra needs to operate as efficiently as possible so that it can deliver the most efficient and cost-effective services to Australians. The reality is that other carriers create an increased focus on efficiency, timeliness and competitiveness. If Telstra is going to serve its customers, No 1, its shareholders, No 2 and the Australian public, No 3, it has to operate efficiently. That will mean at times downsizing. But bear in mind for the 10,000 jobs that are being lost, in the last 12 months to November last year there were 17,000 created in the communications industry—a net gain of some 7,000 over recent times. I, like the minister at the table, will require Telstra to perform on the promises made today by its executives. No-one will be more vicious in their attack than I if that does not happen. For the time being, the opposition today came in here with a mere bagatelle of vacuous argument. They did not even have a proper resolution on the books. They did not stick to the resolution and, quite frankly, it was a disgrace.(Time expired)

Mr DEPUTY SPEAKER (Mr Andrews)—The time for this debate has expired.

ABORIGINAL LAND RIGHTS (NORTHERN TERRITORY) AMENDMENT BILL (No. 3) 1999
Main Committee Report
Bill returned from Main Committee without amendment; certified copy presented.
Ordered that the bill be taken into consideration forthwith.

Third Reading
Bill (on motion by Dr Stone)—by leave—read a third time.
BILLS RETURNED FROM THE SENATE

The following bills were returned from the Senate without amendment or request:
- Therapeutic Goods Amendment Bill 1999
- Gladstone Power Station Agreement (Repeal) Bill 1999
- CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) AMENDMENT BILL 1995

Consideration of Senate Message
Bill returned from the Senate with amendments.
Ordered that the amendments be taken into consideration at the next sitting.

APPROPRIATION BILL (No. 3) 1999-2000
Cognate bill:

APPROPRIATION BILL (No. 4) 1999-2000

Second Reading
Debate resumed from 7 March, 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”.

Ms HALL (Shortland) (4.35 p.m.)—This government has constantly failed the Australian people. Its failure has undermined their confidence in the structures and systems that we as Australians rely on to function as a cohesive society. It has undermined Australia’s health services by failing to allocate enough funds to the states and by choosing to invest money in health insurance rather than health services to the extent that the New South Wales government as recently as yesterday has had to come up with $2 billion extra to make up for the shortfall in Commonwealth funds for health. It has undermined our industrial relations system by attacking workers’ wages, entitlements and conditions, and by trying to advantage the employers at the expense of the workers. As the minister has said many times before, ‘Never forget which side you are on. You are on the side of business and against them.’ That is what this government sees. They are on the side of business. Forget the workers. We on this side believe that you look after the whole of the community. You look after business, you look after the workers, and you are certainly not about taking away the entitlements, conditions and pay of workers. It has undermined the Australian culture of fairness and equality, particularly with its decision to implement a GST—a decision which will disadvantage families, and Australians who live in residential parks will be one group more disadvantaged than others.

This government has undermined Australia’s welfare system, and adopted an approach of attacking Australians who need government assistance to survive and who need government assistance to find a job. It has undermined our employment service system by destroying the CES and programs that were operating successfully to assist Australians to find jobs. It has replaced it with a Job Network system that works on the principle of competition and profit. It is not the best outcome for the job seeker, not the best outcome for the unemployed person and not the best outcome for Australia as a whole. It has undermined our public education system, the system that most Australian students use, starving it of funds and propping up the wealthy private sector. It is a government based on division. It is a government that is about division between the haves and the have-nots, between the cities and rural and regional Australia. In the cities there are jobs and services, and people living there can en-
joy the best of our society and the best that this government has to offer. But, unfortunately, people living in rural and regional areas—such as the area that I represent—really have to battle with such things as the closure of BHP and with many other services being removed from the Hunter area. This government has been noticeable by its absence. It has not been there for those people.

Today we are looking at Telstra. I attended the seminar in the theatrette along with a number of other members from this House. The CEO of Telstra said that it was ‘commercially desirable’ to sack 10,000 workers. He said nothing about how desirable it was for our service and he said nothing about how desirable it was for our community as a whole. Rather, he said, it was ‘commercially desirable’. He said he would find it extremely frustrating if political pressure was put on him or his organisation and the government to change that decision. I find it obscene that a company that has just returned in excess of $2 billion in profit is now thinking of sacking 10,000 workers. They are 10,000 people who will not have a job, who will not be earning money, and that will have an effect throughout the whole of our community. In the electorate I represent I have noticed Telstra cars and vans with Queensland number plates on them. Do you know why that is? That is because Telstra do not have the staff on the ground to provide the service. They do not have the staff on the ground on the Central Coast of New South Wales to provide the service. That is now. And Telstra are considering sacking a further 10,000 workers. Tell me: how will that be for our area and for all those other regional and rural areas? This is the legacy of John Howard and his government—a legacy of division, a legacy of failing systems, and a situation where Australians are losing confidence in all those things they have come to rely on.

I will now spend some time examining the crisis that has developed in the aged care system. It is a crisis of such great magnitude that a coalition of all groups involved in that sector has come together. Yesterday I met with representatives from that coalition. We had people from the provider sector—both the charity and private sectors—representatives from nurses associations, from ACOSS and from the user groups. All these people who look at aged care from a different angle have come together because they are dissatisfied with the way the system is working. The government has really failed probably the most vulnerable group in our community, and I think that is sad. The tales that we hear in this House are symptoms of a system that is not working for those people who are relying on the government to support them. It is a system that has been starved of funds and a system that I and every other member of this House have received complaints about. We are receiving complaints from the providers—the people who are in there trying to provide a good quality service, the people who care about making sure that the people they are looking after are looked after properly. Providers are finding their funds being reduced, so they are having to cut staff and cut services to be able to continue to provide that service. The systems that are in place are just no good for that vulnerable group in the community.

In the Hunter region, for instance, there is quite a shortage of dementia and respite beds. There are only a few beds available outside Allendale, which is in the shadow minister’s electorate. It is a very fine facility but, unfortunately, it covers a very large area. As we all know, as people get older, either a husband or a wife may find themselves in one of these nursing homes, or they may need to have some sort of care. Maybe the other partner does not have a drivers licence. It is very hard and very difficult for them if they cannot get to see their spouse of many years who is in a nursing home. These are just some of the problems that are occurring because of this government’s failure.

The Treasurer asked for a review of nursing homes to be conducted by the Productivity Commissioner. The review came up with some recommendations, and they were really good recommendations. But what did the government do? It totally dismissed them. If it continues to do this, it will lead to great hardship. One of the recommendations in the report was this:

As a basis for setting the output purchase price, the Government should arrange for a five yearly
assessment of the jurisdictional and national average input costs of providing the benchmark level of care using a standardised input mix averaged across a range of efficient facilities.

It is basically setting a benchmark and then, from that benchmark, re-examining the case for national uniform basic subsidies. It said that the review should be conducted transparently and independently of the government.

It also recommended that the basic subsidy rates should reflect the nursing wages, rates and conditions applicable in the aged care sector. They currently do not do this. The pressure that is being put on that sector because of that is leading to a decline in the standard that can be offered by nursing homes. Basic subsidy rates should be adjusted annually according to the indices which clearly reflect the changes in the average costs of the standardised input mix. These are seen as priorities by every group that is involved in the aged care industry, yet the government chooses to ignore it. If things go the way they are going now, we are going to get a continuing decline in the quality of care.

We need a system where there are spot checks. The accreditation system is good, in that nursing homes should be accredited—we should have a minimum standard of care available in nursing homes—but it is very paper based. The cost of having a very paper based assessment is that nursing homes are investing in the administrative side rather than the caring side. If this continues, it will lead to a further erosion of care. I have been advised that, if things keep going the way they are, a 60-bed nursing home will be forced to reduce staff by one per year for the next seven years. This will have a disastrous effect for the frail aged in our community. We do not want to see any more Riverside nursing homes. We need a system that works. We need a minister in whom we as a parliament, we as a society, and those people in involved in the aged care system, can have confidence. From the phone calls and advice that I have been receiving and the papers that I have been reading, this minister has lost the confidence of the people of Australia. Yet she remains as the Minister for Aged Care.

This government has failed not only those frail aged residents of nursing homes but also many workers in our community, including workers like Bob Taber, who was employed by Pioneer Park Pty Ltd. That company was previously known as Domino Mining Equipment Pty Ltd. Its parent company is called Retreat. Last year, on 10 June it appointed a liquidator. Prior to that, Domino Mining Equipment became Pioneer Pty Ltd. Domino Mining Equipment had been operating on the Central Coast for a very long time—for 28 years—and it was well known. The principal person in that company is called Cliff Carpenter. When Domino closed, it owed its 16 workers $400,000 in entitlements. Despite numerous letters to the minister, despite writing to the Prime Minister, I have received no response. I have even made suggestions that these workers could get some assistance under the Regional Assistance Program. But neither the minister nor the Prime Minister have even thought that worthy of a response.

Bob Taber is particularly concerned because Domino Mining Equipment has now resurfaced. It has started operating on the Central Coast, once again under Retreat—the same parent company—but still nothing has been offered to any of the workers who were made redundant when the liquidator was appointed to Pioneer. It is a very sorry saga. Here we have 16 workers—some of them will never ever work again—who are not getting any entitlement. Bob Taber and his mates have received zero dollars since being made redundant. The firm still seems to be operating in one form or another, although the actual company they were working under is not operating. Last Friday, I think it was, there was a meeting with all the interested parties and the new liquidator was given $100,000. Guess what? There is no money left for Bob Taber or for any other worker. Bob is 53—nearly 54 to be precise. He started working there on 6 March in 1980. He was made redundant on 10 June last year. On 20 May Domino Mining Equipment was changed from being 'Domino Mining Equipment' to 'Pioneer Park'. So very shortly after the name changed the firm went into receivership. Bob Taber was offered $42,423.84. So, after working for in excess
of 19 years for one employer, that was the way he was treated. This government will do absolutely nothing to help him and his fellow workers. It is unfair, unjust. All Bob Taber and his fellow workers ask for is to be treated fairly, to be treated in a similar way to the National Textile workers. They want recognition of the fact that they live in a region that has specific employment problems and, as such, it should be one of the areas that is eligible for assistance under the regional assistance package.

This brings me to residents that live in residential parks. Nothing could be more unfair than the fact that this government is going to charge these people the GST on their rental. It is unfair. It is discriminatory. Why should these residents be treated differently from any other residential renter in Australia? The Prime Minister refuses to answer questions on this. The Minister for Community Services tells the people in his electorate who vote for him that he thinks it is unfair. Other members in this House have told voters in their electorates that they think it is unfair, yet they do not act to change it. I think it is a mistake that these residents are going to be charged the GST on their rental. I feel that the government should recognise the fact and admit that they have made a mistake. I think it is a decision that was taken by a bureaucrat in a little room in Canberra who thought that people living in a residential park were people living in caravans on holidays and who had absolutely no idea of the lifestyle that these people have chosen. It is a communal style of living. They are usually pensioners. The highest number of people living in parks within the Shortland electorate and, I know, other electorates on the Central Coast, on the Hunter and on the Mid-North Coast, tend to be pensioners. They tend to be people on fixed incomes and people that are really not in the position to come up with the extra money. The average rental that they pay each week would be $80. The tax will be five per cent, so that will be an extra $4 a week. They will be getting an increase in rental assistance, but so will every other person in Australia that is receiving rental assistance. It is unfair and it is discriminatory.

I have some constituents who live in residential parks coming to Canberra next Tuesday. I wrote to the Treasurer and asked him if he would be prepared to meet them. He has phoned my office and said he is unavailable. I have written to the Prime Minister, too, and he has not even had the decency to answer my letter. This is the contempt that he is showing to average Australians—people who count on him. The Howard government stands condemned. It is condemned for the way it has systematically undermined everything that is precious in our society. It is creating a society where there are many inequalities. It has created divisions between those people who can enjoy the benefits of the government’s rampant economic rationalism based on the cult of the individual, and the ordinary Australian who is struggling to survive. This is a government for its friends with money, not a government for average Australians.

Mr MOSSFIELD (Greenway) (4.55 p.m.)—In speaking on the Appropriation Bill (No. 3) 1999-2000 and the Appropriation Bill (No. 4) 1999-2000 which are before the House, I intend to refer to a number of important issues affecting the people in my electorate of Greenway. I intend to address two major issues—one relating to higher education and the second relating to industry development. Then, in a more general way, I would like to speak about the effects the GST is having on people in my electorate and also the need for protection for workers’ entitlements when a company goes into liquidation.

Towards the end of last year, my colleagues in Greater Western Sydney from all three tiers of government were sent a report by Professor Janice Reid, who is the Vice-Chancellor of the University of Western Sydney, entitled The shape of the future. Some of the points I intend to make now relate to that document. The UWS is the jewel in the education crown of Greater Western Sydney, a region which has one-tenth of Australia’s population and a GDP of over $30 million. UWS was founded in 1989, with the purpose of providing high quality and accessible higher education and research in a region historically underresourced. UWS is now the fifth largest university in Australia and the
second largest in New South Wales, all achieved in just 10 years, with 60 per cent of the students coming from Western Sydney.

The report projects a structural change to UWS that will do away with the existing divisive three-member federation and will focus on regional and educational requirements through seven campuses based on the geographical areas of Campbelltown, Bankstown, Parramatta, Penrith, Blacktown, Richmond and Westmead. This structural change will promote a united image that develops academic programs to best meet the needs of the region and improve the core business of the university, which is teaching, learning, research and community service. Consultations will also take place with community groups to ensure UWS contributes to addressing major economic, social and environmental issues in the region.

The issue of regional development is addressed in the Reid paper, with the recognition that the university must develop partnerships and agreements with other educational groups such as TAFEs and high schools, local government, governments and private industry for the benefit of the whole region of Greater Western Sydney. The university operates within the legislative framework defined by the UWS New South Wales amended act 1997, the UWS by-laws 1998 and the UWS rules. These were amended following a two-year period of review. This modification of the guiding legislation was necessary to address some fundamental operational difficulties which had emerged during the first seven years of the life of the university. The Reid paper addresses the issue of UWS operating in a competitive environment. The half-hearted proposals so far put forward by the federal government would disadvantage new universities like UWS which have not had the opportunity of building up financial assets or financial support from businesses or ex-students. Despite enormous progress, UWS has limited reserves to fall back on. It does not have major endowments or uncommitted investments. The cash reserves of the university have been depleted in recent years to help fund capital works and campus development. This has affected self-funded research programs which the university has established. In 1995, its reserves were $70.9 million. In 1999, its reserves were $45.2 million. Of that sum, $31 million are long-term investments to fully cover staff liabilities.

Despite its best efforts, the university is struggling to find an appropriate opportunity to rebuild these reserves, so the financial position of the university is seriously compromised. The University of Western Sydney is endeavouring to expand its non-government revenue. Its largest source of non-government revenue is from overseas students. The value of overseas students to Australian universities in general can be seen in figures released by the Department of Education, Training and Youth Affairs, which show an increase of overseas enrolments of 20.5 per cent in 1999 over the previous year. Nevertheless, this source of income is volatile, depending on the political situation in the source country, exchange rates and the need to continue to promote Australia’s education overseas. It is vital that UWS continues to attract high proportions of overseas students.

The university is also endeavouring to make savings through organisational reforms. While the university’s previous financial position has been sound, there are clouds on the horizon with the reduction of government funding and an extremely competitive environment in terms of attracting private funding, particularly for new universities. While UWS has had a major capital works program over the past decade and has been able to achieve this without entering into debt, the budgetary situation has deteriorated in recent years. The cause of this is that the university is experiencing the end of a decade of growth funding and is, at the same time, experiencing the impact of the federal government’s funding cutbacks to higher education. This will result in the university having little capacity to respond to new opportunities. The federal government’s current position on research will have a negative financial impact on UWS, resulting in a reduction in funding places and adversely affecting the region. In 1998, for example, over 70 per cent of UWS engineering graduates were employed in Greater Western Sydney. What this means is that graduates from this university are being
employed in that area, contributing to its development.

The issue of growing competitiveness in the research environment requires UWS to establish a more substantial and better funded research profile. The Reid paper questions policy changes being considered by the federal government, such as reductions and consolidation of research activities nationally, which will place UWS, as the most recently established university in Sydney, at a disadvantage. On the federal government's own calculations, UWS will lose at least $2.3 million this year alone from its operating grants, which may go to fund research in other universities. UWS has also missed out on the substantial growth in funding for university teaching and research that older regional universities like Newcastle and Wollongong have enjoyed over the past 20 years, even though these institutions are considerably smaller than UWS.

The ability of working-class students from Greater Western Sydney in general, but from electorates such as the one I represent in Greenway in particular, to finance university education into the 21st century must be under threat, with the federal government toying with the idea of providing a voucher to students for a set amount of money to pay for their education. The students would then shop around to see how much each university would charge for a course, and then apply for a loan to cover the cost. While this issue is now on the backburner, we all know from the 'never ever' GST package that these good ideas that the government floats from time to time to test public reaction have a habit of resurfacing.

The member for Werriwa has developed some funding options for higher education that I believe deserve further consideration. Faced with difficult economic positions, the solution to this funding problem could be found in the honourable member’s three financial arrangements for higher education institutions: one group would return to free higher education, a second group would retain the status quo and a third group would operate on reduced public funding and deregulated fees. The first group could be based in regional Australia, such as at Western Sydney, and would have no up-front fees or even no fees at all. It is estimated that the cost of providing free higher education at eight regional universities would be $300 million per annum, which would be less than half of the $840 million that the Howard government took from the forward estimates for universities in the 1996 budget. It has been suggested by Gavin Moodie, an academic and educational journalist, that the cost of this proposal would be paid for by cutting operational grants for the third group of internationally focused universities, thus creating a level playing field in university funding. These new ideas need to be considered. Regional universities could also attract income from overseas students and fee paying students who have missed out on enrolment in the other two groups of universities.

I would like to move on to another very important issue in my electorate of Greenway. The question of employment of working people is always very important. The issue of government policy relating to assisting Australian industry is also very important. I want to speak of one particular industry which is in my electorate, and that is the furniture manufacturing industry. I would particularly like to refer to the submission from the National Furnishing Industry Association to the Productivity Commission’s review of Australia’s general tariff arrangements. In its submission, the association states that changes in tariff levels create winners and losers. In the view of the association, the economic assessment of losses of employment in the furnishing industry if the early voluntary liberalisation proposal of APEC is implemented has not yet been undertaken.

Presently the furnishing manufacturing industry employs over 81,000 right throughout Australia in direct manufacturing and over 42,000 in the non-manufacturing sector. Average imports are increasing at an amazing rate of 15 per cent per annum, but some sections are actually experiencing a higher growth of up to 37 per cent. Modelling carried out by the industry association shows that, if tariffs were removed prior to the 2010 commitment, employment losses in Australia would exceed the 12,000 mark. That is a conservative estimate; the figures could be con-
siderably higher. This employment loss would have a significant impact on small businesses, with some 1,500 companies affected. Australia’s focus on agriculture and minerals, while important, can nevertheless have a serious effect on manufacturing and other value-added industries. I would like in this speech to bring some balance back into the tariff debate. While quotas, non-tariff measures and direct export assistance are among a range of supporting techniques that many overseas countries use and that are available to many nations involved in international trade, for most Australian industries these supporting measures are not available. Australia’s policy towards industry assistance appears weak in contrast to other nations that develop strategies to increase value adding to their own local products. For example, in its submission to the Productivity Commission the association advises that in November 1999 the Taiwanese furniture industry association reported as follows:

However, nations of this region (South-East Asia) have gradually moved to protect their forestry resources with several already prohibiting exports of pulp wood and more recently restricting lumber exports. As a result, furniture manufacturers can only import semi-processed products.

But in Australia local furniture manufacturers are experiencing significant supply problems due to large exports of timber to China. The association advises that there are two primary issues relating to tariff reduction: timing and negative assistance. On the issue of timing, the furnishing industry is undergoing a major initiative with the Department of Industry, Science and Resources. This initiative is identifying where changes are needed to make the industry world competitive. This will lead to a range of strategies that will need to be worked on to achieve its targets. The association submission advises:

The reduction in tariffs prior to the achievement of these outcomes will result in a significant reduction in the size and capacity of the Australian furnishing industry.

The issue of the difference between tariffs on major inputs and the finished product has a major impact on local manufacturing as well. Textiles, which are a major input to the furnishing industry, have a tariff protection of 20 to 25 per cent. I would support the retention of this tariff assistance for the textile industry if it is necessary to maintain a competitive Australian textile industry. However, there should not be any further reduction in the furnishing manufacturing industry tariffs while other input tariffs remain at the existing level. I have a major furniture factory in my electorate, Freedom Furniture, which employs 180 people, as well as a number of wood turning companies which are also interested in the future of Australia’s furniture manufacturing industry. Freedom is an importer as well as a manufacturer. This company imports from India and China and would continue to trade profitably whether it employs local employees in manufacturing or was forced to close this section. On a recent visit to the Freedom Furniture factory, the management indicated to me that an early reduction in tariffs would not give the industry a chance to implement the initiatives of the FIAA action agenda. I believe the government needs to approach the issue of tariff reduction on a far more hands-on basis irrespective of what other nations are doing. The issue that industry keeps raising with me is that Australia seems to believe it must play on a level playing field while the rest of the world ignores this type of honest dealing.

I will move on to some general issues concerning people in my electorate. Without question, the most pressing issue over the last weeks and months is the GST. I am sure this applies to every member in this House. This is the most pressing issue, bearing in mind that other issues have developed more recently. As each day goes by, we find items surfacing that appear to be GST free that under government policy probably should not be, and many that appear to be subject to the GST that most certainly should not be. I will give one example, and I am sure that every member here could give examples of some of the things happening in their electorate. I had a number of my constituents come in who had bought crypts from funeral companies. Acting on the advice in letters from the government, the companies concerned were
adding the full GST to the price of the crypts even though the price was to be paid in full prior to 1 July this year. It certainly did not seem right to me, based on my understanding of the government’s policy. However, we were fortunate in getting a Taxation Office ruling, and that said that this was incorrect. These companies were acting on documents obtained from the government, and the companies now have to refund this money, the full GST amount, to the people concerned. One company said to the person concerned, ‘You’ll have to wait for your money,’ but he was certainly going to do something about that. This is just one example, I believe, of the confusion relating to the GST. It is very unpopular.

Dr Stone—That is a company taking advantage.

Mr MOSSFIELD—I know that government members will try to defend it, but if you get out there and listen to what your constituents are saying they are telling you—

Mr DEPUTY SPEAKER (Mr Nehl)—No, they are not telling the chair.

Mr MOSSFIELD—Mr Deputy Speaker, through you, they are saying that they do not like it, and that applies to businesses as well as ordinary people. It is very clear that, following the defeat of John Hewson and his GST proposals, John Howard was absolutely correct in saying that he would ‘never, ever’ introduce such a scheme. As each day goes by, it must be getting clearer in the mind of the Prime Minister that he should have stood by his promise and made it a core promise, because now it is looking more and more like an election loser—and deservedly so. However, there are other issues that have already affected the constituents of Greenway. I have raised them separately and together on other occasions, but the frequency of their appearance underlines their importance.

Despite the many twists and turns and rambling explanations from the Minister for Education, Training and Youth Affairs, there is no escaping the fact that, when one pares away the rhetoric and the bluster, education funding to our public schools has clearly been reduced. It is clear that the government, while being the main tax collector, wants the states to bear the full financial burden of education.

I want to conclude on the issue relating to protection for Australian workers if the companies they work for go into bankruptcy. We are all working on the assumption that there has been a solution found for the National Textiles workers. I have a question mark here because my understanding is that this matter has not been finalised. My understanding is that it is still a major problem. This is a major issue which I think this government must look at. (Time expired)

Mr MURPHY (Lowe) (5.15 p.m.)—I am very happy to speak on these appropriation bills. I think the money would be better spent on fixing the long-term operating plan for Sydney airport, the noise insulation program associated with aircraft noise over Sydney and the construction of a second airport for the residents of Sydney. Specifically, I wish to refer to the allocation of finances in the following areas: the precision radar monitoring system, the inadequate distribution of money for adequate noise insulation and the government’s stalling on providing adequate funds for the environmental impact statement for a second airport to relieve those noise-affected residents from Sydney (Kingsford Smith) Airport and, thereby, construction of the second airport at Badgerys Creek. The government’s incompetent handling of these issues has affected the lives of thousands of residents in my electorate. This has been done to protect, particularly, the Prime Minister’s electorate of Bennelong and other Liberal electorates north of the harbour. As a result of the government’s decision, we are paying a heavy price in Lowe.

A succession of coalition transport ministers have promoted the government’s inability or lack of resolve to deal with this issue. Recently the Howard government was forced to introduce revised operating procedures for Kingsford Smith airport, clearly demonstrating an inability to implement the long-term operating plan and, as I said, to protect the electorate of the Prime Minister. Mr Deputy Speaker, as you know, my electorate of Lowe borders the Prime Minister’s electorate. The two electorates are separated only by the Parramatta River. So, while people in my elec-
torate in suburbs like Drummoyne, Abbotsford and Concord are copping it, just across the water people are getting relief in suburbs like Gladesville, Putney and Hunters Hill.

On 28 May 1999 I moved a motion, carried unanimously, at the Sydney Airport Community Forum, calling on the Minister for Transport and Regional Services to direct Airservices Australia to implement a project schedule for the full and complete implementation of the long-term operating plan. To date, this project schedule has still not been done. At the meeting of SACF on 3 December, I successfully moved, by proxy, a motion, again carried unanimously, calling on the minister to defer making any terms of reference covering the assessment of the infamous precision radar monitoring system that would result in low-flying, parallel runway operations into Sydney until after the new Environment Protection and Biodiversity Conservation Act comes into effect on 8 July 2000.

On 17 January 2000, the minister arrogantly proceeded with drafting the terms of reference, in clear breach of the unanimous vote of the SACF on 3 December 1999. The minister’s decision to proclaim the terms of reference against the unanimous will of the SACF is a blatant disregard for the public interest. The management of the LTOP has apparently collapsed. What we have now is another farcical third runway scenario in the PRM. On 4 February 2000, Airservices Australia gave a presentation to SACF and tabled a ‘Summary of progress’ in response to the call for a project schedule, which in no way complies with my 28 May 1999 motion at SACF, which was carried unanimously, and is nothing like that which I called for. Further, at the SACF meeting on that day, Airservices Australia tabled a report titled ‘Report on implementation of LTOP’. The report notes that areas to the north of the Parramatta River are now overflown by very few departures. This statement ignores the true picture south of the Parramatta River, including my electorate of Lowe—that is, the present situation greatly favours the Liberal electorates of the North Shore.

Moreover, the latest published statistics from Airservices Australia on 30 November 1999 prove absolutely that air movements to the north are getting worse and that they are now at over 29 per cent—they are supposed to be 17 per cent. In light of these facts, I successfully moved another motion on 4 February 2000, calling on the minister to direct Airservices Australia ‘to implement the LTOP within a prescribed time, as directed by the minister’ and the minister to ‘make this announcement by way of declaration to Airservices Australia within one month from the date of this motion’. Further, I drew to the attention of the SACF that the federal environmental laws had been amended by repeal of the Environment Protection (Impact of Proposals) Act 1974 with new legislation, the Environment Protection and Biodiversity Conservation Act, which, as I previously mentioned, comes into effect on 8 July 2000.

In addition, I successfully moved yet another motion carried unanimously at the 4 February 2000 SACF meeting, that SACF call on Airservices Australia to obtain a full and accurate legal opinion explaining the environmental process under the proposed new legislation from 8 July 2000. I note that the existing legislation is the same law that governed the notorious third runway. SACF is still awaiting receipt of that legal opinion.

I wish to bring to this House’s attention further evidence of the campaign of deception by the Minister for Transport and Regional Services in the management of aircraft noise. I have with me a copy of a letter dated 21 January 2000 sent by the office of the Deputy Prime Minister and Minister for Transport and Regional Services to one of my constituents in Lowe. In that letter, Mr David Kelly, principal adviser, responds on behalf of the Prime Minister to a letter written by one of my constituents concerning aircraft noise. The principal adviser states that ‘Mr Anderson has asked me to reply on his behalf’. The principal adviser says:

The noise sharing arrangements now in place at Sydney Airport have been introduced to overcome the concentration of noise over suburbs to the north of the Airport which occurred under the Labor Government’s parallel runway regime. These arrangements were drawn up through an extensive consultation process and represent a balance between the competing interests of resi-
students from the different areas surrounding the Airport.

He goes on to say:

The Airport’s Long Term Operating Plan (LTOP) implementing the current noise sharing arrangements HAS BEEN VERY SUCCESSFUL. Unfortunately, you seem to have received misleading advice on how LTOP is working. For your information I have therefore enclosed a number of maps showing how the noise is being distributed between different communities.

On the surface, Mr Kelly’s data appears consistent with data contained in the maps in the Sydney airport operational statistics, which is a series of monthly data supplied by Sydney Air Traffic Services. However, Mr Kelly’s letter and hence the minister’s reply to my constituent are fatally flawed in a number of serious respects. His letter is also scurrilously deceptive. It is dishonest. First, he has completely misled my constituent by not revealing the truth of the statistics for air traffic movements north of Kingsford Smith to the Parramatta River, which prove 29 per cent of air traffic movements.

The Sydney airport operational statistics for November 1999 show that the LTOP target for northerly movements is supposed to be 17 per cent. That is what they say; but, as I said, they are 29 per cent. That means more planes are going over my electorate of Lowe, while 17 per cent is the target. Mr Kelly’s letter on behalf of the minister is deceptive in referring only to take-offs over the northwest, constituting about 10 per cent. It then notes by way of contrast that approximately 20 per cent of jet movements are overflying the areas north of the Parramatta River. The letter from the minister for transport is misleading on a number of grounds. Firstly, Sydney airport operational statistics indicate on page 29 of the November 1999 report that departures off runway 34L to the north-west of Sydney airport, known as mode 9, have a cumulative mode utilisation from 4 December 1997 of nearly 32 per cent of the time and represents 35 per cent of total jet movements. That is horrendous for Lowe.

Secondly, despite the assurances of Mr Kelly and the minister, my repeated demands at SACF, reflected in the long line of motions moved by me and unanimously carried at that forum, have overwhelmingly demonstrated that LTOP not only has not been implemented but is neither operational nor enforced. How can the LTOP be implemented if we are experiencing jet aircraft movement percentiles to the north of 29 per cent when the LTOP forecast is supposed to be 17 per cent? The minister’s letter demonstrates one of two things: either the minister is so grossly incompetent as to have a demonstrated ignorance of the forecasted outcomes of LTOP—a plan which he himself directed in March 1997 to be implemented—or he has deliberately contrived to mislead one of my constituents. First of all, the assurance of Mr. Kelly and the minister, my repeated demands at SACF, reflected in the long line of motions moving for a project schedule stipulating exactly when the LTOP will be implemented. The LTOP was originally designed to be implemented in stages. This fact is found in the body of the SACF minutes, and I invite anyone interested to have a look at them. To my knowledge, there are at least two stages in the implementation of LTOP. Unfortunately, the implementation of LTOP is not directly managed by SACF. Another body, the Implementation Monitoring Committee or IMC, holds yet another set of monthly meetings to oversee the implementation of the LTOP, and quite obviously they are impotent.

The months, indeed the years, roll on and nothing gets better for the residents of Sydney. We do not get a decision on a second airport, we do not get the implementation of the long-term operating plan, and that is horrendous not only for my people in Lowe but for everyone affected by Kingsford Smith airport. If anything, Sydney’s airport noise problems will continue to get worse, and the minister has no intention of doing anything about it. He has got to be held accountable for this. Does the minister, or Mr Kelly on his behalf, really believe that a longstanding resident would seriously take as credible the misleading statements and deceptions contained in his letter? Mr Deputy Speaker, picture yourself as a resident in Lowe, in a suburb like Concord, Ashfield, Burwood, Drummoyne or in any other suburb in this area. I mention these suburbs because they are some of the suburbs that have experi-
enced a sharp increase in noise complaints about aircraft noise, simply because air traffic movements over these suburbs have conspicuously increased in the last three years.

I have been a resident in this area for 19 years, and I have never heard noise as bad as that which is occurring at the moment. That is reflected in the comments of all the people who ring and write to my office. People might say, 'I've had enough, I'm going to write a letter to the Prime Minister.' That is what my constituent did, and look at the response he got on behalf of the Deputy Prime Minister and Minister for Transport and Regional Services, which was clearly dishonest. Mr Deputy Speaker, are you really going to believe the contents of this letter? Are you going to allow your intelligence to be insulted, preferring to believe statistics rather than the plain simple truth of the experience of what is flying over your roof? Of course you will not, and that is exactly the response I got from my constituent, who immediately contacted my electorate office to alert me to the treacherous and misleading letter.

This constituent advised me that he used to be a Liberal supporter before reading the puerile rubbish of the minister, but he will not be anymore. I have always attempted to relay accurately and truthfully to my constituents the situation of the jet air traffic movements of Sydney airport. I have never attempted to colour the statistics or paint a picture that is worse than it is. I would be delighted to share the joy of success with the government if the minister for transport could stand up in the House and declare that LTOP would be fully implemented. However, the truth is that the milestone of a fully implemented LTOP has simply not occurred. This is an appropriations bill, and the money should be spent on doing something about Sydney airport’s noise and a second airport. There is the issue of raising funds necessary for the implementation of the EIS for Sydney’s second airport. There is the further issue of funding for noise insulation, which remains inadequate despite increases.

Let me leave members under no illusion as to what the failure to implement LTOP is all about. The minister has sought to obfuscate the statistics, denying a true and accurate picture of the real state of affairs with LTOP. We need not speculate any longer on his motive for doing this. He is doing this because he seeks to pander to those vested and sectional interests which clearly benefit financially from these changes to airport management—the airline companies and the tourist industry. Let us face the simple truth about this: the LTOP is expensive, a second airport is expensive and the government has not got the guts to make a decision on giving noise relief to Sydney residents or on building a second airport. The Sydney Airport Corporation is being fattened for the kill in the lead-up to full privatisation. The government wants SAC to have a strong cash flow before the sell-off, and the government is sacrificing all shreds of responsible government in order to achieve this. The only interests being serviced here are the corporate interests. Like so many other times, the public interest gives way to the ‘national interest’, which really translates to the vested interests of the stakeholders. The last straw came with this letter from my constituent.

Quite obviously, the minister has committed acts tantamount to public fraud. He has deluded no-one but himself. Did the minister really believe that he would save face with a clever letter that my constituents know to be simply rubbish? This particular constituent knows the truth, like all the other thousands of people who have written to me, who have sent me emails and who ring me up regularly complaining about aircraft noise. The minister has demonstrated a complete lack of will to do anything about alleviating the aircraft noise suffering of those affected by Sydney airport. He has chosen to spend $12 million to make aircraft noise problems worse with the precision radar monitoring system. He has prevaricated to the point of impotence. There is a kind of management which comes from doing nothing. An office can have the appearance of management when you hide behind your desk, become invisible or simply flick a file to another person—in this case, to his principal adviser. The result is that you get a clever letter which is too smart.

In light of the demonstrated failure to adhere to the repeated unanimous demands of the SACF to implement the long-term oper-
ating plan, the minister has abrogated his responsibility as a ‘responsible’ minister by denying flatly the public interest so comprehensively that it shocks the most hardened sensibilities. If we are to be a dictatorship, let the minister declare it now, for with the bias, the capriciousness and the total disregard for the public interest the elements of dictatorship are fulfilled. We no longer have responsible government, and the result of this denial of responsible government is the capitulation to tyrannical decision making at the expense of the public interest. The minister is urged to seek the funds necessary to turn the second airport into a reality, to implement the long-term operating plan and to increase funding for noise insulation for the residents of Sydney.

Debate interrupted.

Adjourment

Mr SPEAKER—Order! It being 5.30 p.m., I propose the question:

That the House do now adjourn.

Child Support Scheme: Payments

Mr HOLLIS (Throsby) (5.30 p.m.)—Like most members, on almost a daily basis I see constituents that are victims of the Child Support Scheme. On previous occasions, like most members, I have raised in parliament my constituents’ and my frustration about general cases. We have spent millions on devising the Child Support Scheme and on various inquiries, the last substantial one being chaired by my colleague the honourable member for Chifley, and yet we hear the same old problems and concerns. In my view, nobody can dispute the Child Support Scheme on a philosophical level. It is meant to provide the children from broken marriages and relationships with a source of financial income and to lighten the load on the long-suffering taxpayer. Parents should contribute to the financial wellbeing and security of their children. This is not under dispute, nor should it be. In fairness, many of the non-custodial parents I have met with and dealt with have never disputed their responsibility to the children’s financial welfare and security. But there are anomalies in the Child Support Scheme which continue to remain unaddressed and continue to impose unnecessary sources of increased tension on what are already very heavy emotional burdens on the disputing parents and, more importantly, the children.

Last week I met with a constituent who has four children from different relationships. She is currently married to a man who has two children from another relationship. I think the family numbers six children in all. I do not think we can enter into a debate on the morality of these situations because, as we are all well aware, the family unit in this country and around the world has changed markedly. People are moving from one relationship to another and to another and to another for a variety of reasons. We cannot condemn this fundamental change in the family unit, but we must deal with the consequences of such changes through legislation and programs like the Child Support Scheme.

This constituent has been judged by one government agency to be deemed eligible for income assistance, but another agency, because of a definition problem, is unable to recognise the same eligibility for the same income assistance. As a result, this family is now unable to claim family allowance assistance or rent assistance. Unfortunately, this definition dispute between Centrelink and other agencies has left a big hole in the daily financial budget of the family. What is even more frustrating is that the husband in this marriage is deemed to have non-dependents living in the home because the other four children are not his biological children. Incredibly, these children live in the home and are part of this family, but a drafting instruction in the relevant legislation does not recognise these children as dependants because they are not of his blood.

The Child Support Scheme, despite the many changes introduced by the last government and the current government, is too complicated, too cumbersome, too frustrating and far too prescriptive. In my view, and I have expressed it before, it is time to throw out the scheme and develop a commonsense scheme that works, that is simple, that is transparent and that delivers to the small people, the children, in whose name it is supposed to stand. I do not understand why it is so impossible for changes to be made. Why
is it impossible to ensure that a non-custodial parent’s financial contribution is assessed on the basis of their net income? Why is there an insistence that it must be based on their gross income? Who in this country ever takes home their gross pay? That just does not happen. Why is it impossible to ensure that the Child Support Agency administers the relevant legislation on a case by case basis? We have so-called ‘case management’ in the employment services area, but for child support purposes it is impossible. Why?

As I said, child support is an ideal public policy objective. We all agree with its aims and objectives. Not a single parent from broken relationships disagrees that they have a responsibility to pursue and ensure the financial security of their children. All of us, though, have major problems with the means to these critical ends. Let us throw out the piecemeal approach to the so-called changes to this scheme and start again. We can do these things. Let us ignore the public servants who write us nice, self-serving defences of the current scheme. Let us ignore the ego and turf fights that go on. Let us work together to ensure for once that this scheme and its administration works for the parents that are caught up in this nightmare and, more importantly, works for the children for which it was supposed to deliver.

Macquarie Electorate: Disability Services

Mr BARTLETT (Macquarie) (5.35 p.m.)—Last week I had the pleasure of opening a disabilities expo at Springwood in the Blue Mountains, a two-day event organised and run by the Blue Mountains Disability Self Advocacy Group. The particularly pleasing thing about this expo was that it was about self-advocacy in that it was organised and run largely by people with disabilities, the many participants themselves. There were others involved. There were local advocacy groups, commercial suppliers of aids and services and voluntary providers of services, and many of the support groups were represented as well. But the main bulk of the work was done by the self-advocacy group members themselves.

It was a great inspiration and a great encouragement to see these people putting on this expo, to see them doing much of the work of organisation and doing such a great job. I would particularly like to pay credit to Julie Clancy, who did a tremendous job in organising the expo. Great credit also goes to Olwen Leask, who did a great job of chairing the opening and the launch, and to D.J., who organised a lot of the support work behind the scenes. This group is not dependent on government funding at all. It is standing on its own two feet. The group members are standing up for themselves: they are organising activities for themselves, supporting each other and speaking up for their own group.

We have many support groups doing great work in the Blue Mountains and in the Hawkesbury. They are very committed, very caring and very capable in their support of people with disabilities. These include the Mountains Community Resource Network, Sydwest Personnel, Active Employment, Nova Employment, Mountains Community Transport, Hawkesbury Community Transport, Pathways, Westworks, Santa Maria Centre, Bridges Disability Service, the Self Help Group and many others who are all lending very valuable support to these people with disabilities.

One of the encouraging things about this expo was the focus that these people put on their abilities rather than their disabilities. They showed a very positive outlook, which sends out a challenge to all of us to focus on our strengths, to focus on the positive and to focus on our abilities rather than our disabilities. The message from these people at this expo was that, ultimately, self-help is the best approach. No-one is denying that there is an ongoing and growing need for government support at local, state and federal levels, and this will increase as the population ages, but it was great to see these people standing up for themselves.

There are many areas of unmet need in my electorate, both in the Blue Mountains and in the Hawkesbury. We have 3,800 people currently on disability support pensions. That figure understates the significance and the level of need in the electorate, because of the geographical difficulties of isolation. The figure does nothing to estimate the level of need or the profoundness of disability. The
electorate has educational needs, especially for post school-age young people, and there is a need for day-care options. There is a need for assistance with independent living courses, as well as for leisure activities. There are significant unmet accommodation needs, including short-term emergency accommodation, planned respite accommodation and long-term supported accommodation. There are transport and access problems for people with physical disabilities. There is a need for greater employment services to assist in the transition to independence. The future holds many challenges for an electorate with an ageing population, and therefore an ageing support base of carers of people with disabilities. There is going to be a greater need for respite care and for long-term accommodation.

I was pleased when late last year the government announced an extra $150 million over the next two years for respite services for aged carers of people with disabilities. There is still a long way to go, but we need to do what we can to support these people. We need to give a high priority to enabling people with disabilities to become independent where they can, to be involved in self-advocacy and to stand on their own two feet. We also need to increase the opportunities for these people to make a contribution to the community. Many of them have impressive abilities. They have a desire to be part of the community and a desire to contribute to the community. We can benefit as a community in many ways from their commitment and we need to encourage that in whatever way we can. (Time expired)

**Australian Capital Territory: Facilities**

Ms ELLIS (Canberra) (5.40 p.m.)—Canberra is a wonderful place in which to live, and it is a place with a great community spirit. Canberra is also the national capital of this great country—a fact that most visitors to this city recognise, and it is a city of which they are proud. Surveys show that if you mention the word ‘Canberra’ most people turn off—they hold the place in fairly low esteem—but if you mention the national capital, however, quite a different reaction is received. Australians are very proud of this city as their national capital.

The question needs to be asked: who is responsible for ensuring that Canberra, the national capital, can continue to perform this important national and international role? Surely it cannot be expected that the taxpayers of the ACT, who well and truly pay their own way for day-to-day services and for the maintenance of their own community, should bear that burden. There is no doubt that the government of Australia—regardless of what party is in power—has the national responsibility to ensure the capital of this country can perform its role. I do not believe that the representative obligation attached to this can be overstated.

We have seen some decisions and some outcomes recently which seriously affect the role of Canberra as the national capital and which must be very seriously considered. I am sure we are all aware of the decision of the Prime Minister to reverse the proposal to stage CHOGM next year in Canberra and to move it to Brisbane. The basic reason given was that Canberra simply does not have the facilities to carry out this task. I ask: why announce that CHOGM would be held here in the first place? This is a debate for another time, but it is worth noting that the original announcement by the Prime Minister was that Canberra would be given that role, subject to accommodation requirements and other requirements being met. Following deputations and submissions from all relevant parties and bodies within the ACT, those conditions were met and in May last year the decision was confirmed. It was not done merely on a whim; it was done on the basis of proper and correct examination. As I said, that is a debate for another time—I have other things to discuss today—nevertheless, the decision was taken and, sadly, the national capital supposedly cannot deliver the staging of CHOGM.

We have recently seen a headline in the *Canberra Times* that, when Her Majesty the Queen arrives for her visit to Australia, instead of this important visit beginning in the national capital—where, I might add, she intends to spend most of her overnight stays, unlike, I might add, the Prime Minister—she must land in Sydney and then be ferried to the national capital. It seems there are a num-
number of reasons for this decision, and I will address a couple of them. One of the main reasons for these embarrassments is that Canberra’s international airport cannot land 747 aircraft. I understand that under very rare circumstances they have been permitted to land, but it has been on very rare occasions. However, routine visits by heads of state in 747s miss out. There is a serious need for the airport to be upgraded to allow appropriate use by heads of state and others. I know that some remedial work is under way out there, and the owners are happy to attempt to come to some arrangement with government to ensure the necessary work occurs in an equitable manner. There are a number of ways to finance such an upgrade, and I am confident that the owners of the airport would do all they could to get the airport to the standard required for a national capital.

Another issue relates to convention accommodation, particularly in the case of CHOGM. Again, commercial operators in this town who operate that sort of accommodation do not expect—and do not ask for either—handouts from government. I believe an equitable arrangement involving government is well and truly justified. Canberra’s reputation as a centre for major travel and convention business took a serious knock with the decision to remove CHOGM. The major point I want to make is this: Canberra is the national capital of this country, despite any derisive comments or depictions commentators wish to make. The national capital role really comes into focus next year, the Centenary of Federation. Should all members and senators throw off for a moment the electorate cloaks of parochialism, I know they would all agree that we have a national capital of which we can be proud and that it must be able to carry out that role fully. I think it is a nonsense that heads of state of other countries, including the head of state of our own, Her Majesty the Queen, and others are forced to be received formally in this country in places other than the national capital. (Time expired)

Dunkley Electorate: Defence Community Organisation

Mr BILLSON (Dunkley) (5.45 p.m.)—Our national capital hosted a very significant event earlier this week, one that I found to be the most moving occasion I have ever been associated with since being elected in 1996. The occasion was the welcome home and very sincere thank you to General Cosgrove, our ADF service men and women and those men and women from the Australian Federal Police who had implemented the wishes of this nation in carrying out a dangerous but very successfully concluded mission in East Timor.

I think the Prime Minister’s speech, Minister Moore’s speech and Opposition Leader Beazley’s speech on that occasion were all excellent and they summed up the mood of the occasion. It was a very fitting and sincere thank you from a grateful nation. What was behind the scenes, though, is something I would like to talk about tonight. General Cosgrove talked about the service men and women and the personnel from the Federal Police and how part of their duty was, of itself, satisfying, and how the contribution they made and the confidence they built in the East Timorese people, who saw the work of Australians and thought, ‘We’ll come home again,’ was a great source of satisfaction for those people.

General Cosgrove mentioned the families that were left behind, who were supporting those people and all those involved in the logistics and operations behind the scenes. I wish to speak briefly about one such organisation tonight, and that is the Defence Community Organisation. For those of you who know the part of the world that I represent, HMAS Cerberus, the major naval training installation, is just south of my electorate, on the Mornington Peninsula. In my electorate in the city of Frankston is the Defence Community Organisation, which supports service personnel and their families within our region. It is a national tri-service organisation, comprised of both professional staff and volunteers supporting servicemen and women and their families in a catchment that extends from the Frankston office all the way down to the Mornington Peninsula, out to Cranbourne and Narre Warren and north to Aspendale.

While there are no military bases immediately in that area, other than the service base
down at HMAS Cerberus, officers and personnel tend to be located in that broader area. The mission of the organisation is to provide a family support service to Defence members and their families. The aim is to keep the ADF effective by providing for the wellbeing of the personnel and their families. They do that by providing a range of services that help ADF families to make informed decisions about things that impact on their daily lives, and they support their settlement and effective involvement in the communities to which they are posted.

Many of the clients in the East Timor operations supported by the DCO were the parents, children and spouses of the ADF personnel in East Timor. Family liaison officers provided welcome packs and home visits and helped to integrate ADF families into the new communities, as well as providing very specific East Timor related advice, support and information. I was happy to play a small role there, faxing out the material I was receiving about the operations so that families were aware of what was going on.

Within that catchment there are approximately 500 permanent ADF staff and their families and about 2,000 ADF personnel who are in that area on temporary training duties because of HMAS Cerberus. I would just like to give a special acknowledgment to Aileen Travis, the local representative on the National Consultative Group of Defence Service Families; Captain John Walton, Commanding Officer, HMAS Cerberus; and a general thank you for the ongoing support and work of ADF chaplains and psychologists. But I would reserve my strongest sentiment of best wishes and congratulations to the Defence Community Organisation staff at the Frankston office: Jan O’Brien, area manager; Michelle Brown, Diana Booth and Leigh Plummer, all social workers at DCO Frankston; Wendy Lot and Michelle Joyce, family liaison officers; and Chief Petty Officers Glenda Matthews and Henry Millard, who played a key military liaison role. All those people did a fantastic job in supporting the families.

I attended a number of the DCO functions for the families that had loved ones in East Timor. You could see it on their faces, Mr Speaker. They were so proud but wanted to know what was going on. They wanted to know about the success of the operation. They were very keen to know that the whole nation was behind them. I thought the ceremony held here to say thank you to General Cosgrove and all of those who served our country this week was a great moment in our nation’s history. I must also add that the comment in the media that General Cosgrove would make a great Governor-General was about one of the most sensible opinions I have heard expressed in the media for some time. I would just like to reinforce the support of the DCO to the families of those servicemen and women. They helped to make sure that that whole community network was behind the men and women who represented our country and they did it so fabulously well. We have every right to be very proud of them. (Time expired)

Rural and Regional Australia: Seniors Housing

Ms Livermore (Capricornia) (5.50 p.m.)—I want to raise an issue that is of direct concern to many communities in my electorate—that is, the issue of housing for seniors in smaller rural and regional towns. At the state government level, the Queensland Minister for Housing, Robert Schwarten, has been urging the Howard government to establish a special program to fund construction of affordable housing for seniors in Queensland’s rural towns. I fully support that call by the state minister.

At a recent meeting in Winton, Mr Schwarten presented the Queensland cabinet with a report on the urgent need for the federal government to commit funds in its 2000 budget to build affordable accommodation for seniors in Queensland’s rural towns. That report highlighted the expected rise in the over-65 population in regions such as central western Queensland and the need for more housing to stem the drift of people to the coast.

I was out at Winton for the community cabinet meeting and spoke to people from a number of towns in the region, such as Longreach, Aramac and Barcaldine. Without exception, they said there is a crying need for more appropriate, low-cost housing for sen-
iors. Since that time, I have had letters of support for that proposal from councils in my electorate, such as the Livingstone Shire Council and the Fitzroy Shire Council. Adequate and affordable housing can help keep people in smaller regional and rural centres. It has tremendous advantages on a number of levels. On a personal level, it allows elderly people to stay in the town where they may have grown up or worked. It means they can stay close to family, friends, clubs and other services. There is a fantastic example of this in action in Winton, at the Diamantina Gardens, a great state government funded housing facility for senior citizens in that town.

On the broader level, the availability of affordable and appropriate housing for seniors can be a major factor in the economic viability of our regional areas. Keeping people in a town means that there is a stronger local economy—residents require local goods and services and construction of housing keeps people employed in local building firms—and it secures the viability of government services and private businesses. If enough people leave a town it is not long before the hospital is scaled down, the post office loses business and local shops close. It is a downward spiral that we are seeing too often in the bush.

The federal government has the opportunity and the resources in its multibillion dollar budget surplus—a surplus that, I might say, is built on services being ripped out of the bush in the first place—to change all that. If it will not act out of compassion or common sense, then it need only look at the latest polling to find a political motivation. For example, the latest Bulletin Morgan poll should give the government sufficient incentive to come good with a seniors housing package for the bush in its next budget. The poll headed ‘Bush leads coalition slide’ indicates that the bush has lost faith in the Howard government, and this is a government in which National Party members—the supposed defenders of the bush—are supposed to play a leading role. The Nationals have been in government for four years and have not delivered, not even on something as basic as rural housing.

Housing is essential to the survival of our rural and regional centres. State and territory governments can only do so much. Their job is made harder by the fact that the Howard government is walking away from its housing responsibilities. All states and territories are unhappy with the level of funds allocated under the latest Commonwealth-state housing agreement. States and territories are also unhappy with the level of compensation offered by the federal government to soften the blow of the GST from 1 July. In Queensland’s case, the Department of Housing estimates that the GST will cut $30 million a year from its budget. That is a total of $90 million over the next three financial years. Yet over the same period the Howard government has offered only $60 million in compensation. What happens after those three years is not even worth talking about, because that is the end of the compensation.

It seems that the federal government is swinging towards more rent assistance while cutting capital grants. Rent assistance may be fine if you live in Brisbane or Sydney, but what use is rent assistance in places like Winton, Longreach, Clermont, Alpha, Barcaldine or Aramac if there is effectively no private rental market? What use is it to seniors who may need special features built into a house to cater for mobility problems or some form of disability? What use is rent assistance to small building firms and contractors in regional areas who will miss out because state governments cannot afford, and the federal government is unwilling, to build houses. There is an urgent need for special federal funding for a housing program to target seniors in our bush towns. The minister in Queensland, Mr Schwarten, has already raised the issue of seniors housing in regional and rural centres with the Prime Minister and the Deputy Prime Minister, John Anderson. Mr Anderson indicated that he shared Mr Schwarten’s concerns—and my concerns, I might add—regarding the inability of many Australians to remain in their communities as they grow older. But it is now up to the federal government as a whole to put its money where its mouth is. The proof of its commitment to seniors in Queensland’s bush towns, and Capricornia’s bush towns in particular, will be evident in the next federal budget. I call on the federal government to answer the
call of seniors in my electorate. *(Time expired)*

**International Women’s Day**

**Mrs DRAPER (Makin) (5.55 p.m.)*—Yesterday was International Women’s Day, and I would like to acknowledge the great progress that has been made in the sphere of women’s issues over recent years. Prominent author Joyce Stevens explained in her recent work that the history of International Women’s Day ‘has been seen as a time for asserting women’s political and social rights, for reviewing the progress that women have made, as a day for celebration’.

In view of the progress that women have made, I would like to mention some of the many initiatives that have occurred under the strong economic management of the Howard government since 1996 which has enabled gains to be made in many areas, such as employment, child care, superannuation, assistance to family and family law. There have been many real changes to the lives of women across the country. The new tax system, income tax cuts and a bonus to family payments will increase the disposable incomes of Australian women and their families. In the area of employment, the participation rate for working women between the ages of 15 to 64 peaked at 66.1 per cent in December 1999, the gap between male and female average weekly earnings is decreasing and the Howard government has committed $24.2 million over four years to a ‘return to work’ initiative for people returning to the work force after they have had a break from paid employment because of parenting or caring responsibilities. This program will commence in South Australia this month and will provide much needed assistance to many working women in my electorate.

The government has also shown its strength of commitment in the area of child care under the new tax system by introducing a new child-care benefit, which will replace current benefits and boost assistance to families by an additional $600 million in the first three years of operation. An ever increasing number of women continue to return to the work force, and this is reflected in the increase in child-care places—from 168,000 in 1991 to 400,000 in 1998. In conjunction with increases in child-care places, government expenditure has also risen from $244 million in 1990-91 to a projected $1.13 billion this financial year. Under the new tax system, women and their families will benefit from around $12 billion in personal income tax reductions from 1 July 2000. There will also be an extra $2.5 billion in assistance as well as a considerable reduction in marginal tax rates. All income support payments will increase by four per cent and rent assistance will increase by seven per cent.

In my electorate, women and their families come to see me about their marriage and relationship problems associated with domestic violence and, sadly, sometimes child abuse. The coalition government has reinforced its commitment to assist in the prevention of marriage and relationship problems by providing a further $6 million over three years for additional marriage and relationship education services and $16 million over three years for additional counselling and mediation services. This will assist families to resolve disputes and to avoid paying costly legal fees and undertaking emotionally debilitating court proceedings. The government has also provided $6 million to increase men’s access to relationship support services and will provide $10.5 million over four years to enhance family relationships. The Prime Minister’s Partnerships Against Domestic Violence and domestic violence prevention initiatives as part of the National Crime Prevention program indicate the government’s strong sense of social responsibility and commitment to women and their families.

At another level, as a former serving member of the Australian Defence Force I am also very pleased with the government’s decision to remove restrictions on allowing women to participate in combat related duties. This modification now allows women to perform duties related to armed combat or to participate in combat related duties. Although women will still be excluded from direct combat duties, the government is committed to improving the status of women within the Defence Force and is aware that there are still some areas that need to be addressed before women can achieve full equality.
I could continue at length in this place about the things the government is doing to assist women and families, but time is limited and I would like to quickly take this opportunity to acclaim one of the greatest women in Australian history, Dame Roma Mitchell. There have been many great women in South Australia and Australia of whom we can be very proud, but I believe one of the greatest women was Dame Roma Mitchell, Governor of South Australia and Supreme Court Justice. She was one of the most outstanding female legal figures in Australia since Federation and very quietly became one of the most successful women in history. There are many other notable Australian women: Caroline Chisholm, Catherine Spence, Mary Gilmore, Enid Lyons, Dawn Fraser and Joan Sutherland, to name a few.

**House adjourned at 6.00 p.m.**

**NOTICES**

The following notice was given:

**Mr Ross Cameron** to move:

That the House:

(1) recognises the debt we owe to those entrepreneurial publishers who have built Australia’s thriving, free and independent press which is the envy of the world;

(2) upholds, to the greatest extent consistent with the laws of decency and libel, the unfettered right to freedom of speech and freedom of opinion upon which our vigorous democracy is built;

(3) recognises, nonetheless, that the high concentration of media ownership, and the diversity of commercial interests among the few media players, creates potential for conflicts of interest in reporting of news, opinion and current affairs;

(4) notes, in the interests of transparency, the decision of the Australian Broadcasting Authority to require current affairs radio programs to disclose the previously unnamed commercial sponsors of the broadcaster; and

(5) resolves to find simple, enforceable means by which print journalists, radio broadcasters and television news and current affairs reporters, can declare their personal financial interests, and those of their employers, in the issues about which they provide media comment.
STATEMENTS BY MEMBERS

Mandatory Sentencing

Mr DANBY (Melbourne Ports)—We all know the statistics on the effect mandatory sentencing has had on Aboriginal communities in the Northern Territory. We know the majority of offenders who are caught are Aboriginal and committed their offence in a remote Aboriginal community. We know that Aboriginal people make up 73 per cent of the Northern Territory’s prison population. We know that, since 1996-97 and the introduction of mandatory sentencing in the Northern Territory, juvenile detentions have risen by a staggering 145 per cent.

We have all heard the sad case of the 15-year-old Aboriginal boy who committed suicide after being detained in a Darwin detention facility for stealing textas. But there is another aspect of the Northern Territory’s laws that I was certainly not aware of and I wonder how many members of this respected chamber are similarly uninformed. A staggering 68 per cent of those caught by mandatory sentencing do not speak English as their first language. Indeed, of the 27 per cent of the Northern Territory population who are Aboriginal, some 75 per cent have very poor or limited understanding of English—a figure which rises to 90 per cent in remote communities. This would be fine if there were adequate interpreting services provided by the Commonwealth or by the Northern Territory government. But there are not. The Northern Territory provides no such services for Aboriginal speakers and despite the fact that a 24-hour-a-day, seven-days-a-week Commonwealth translating and interpreting service provides services of translations in 150 languages, including Latin, not one Aboriginal language is covered. Perhaps honourable members on the other side need a translation of that fact. Not only do mainly Aboriginal people get caught up in mandatory sentencing laws more often because they do not understand the laws in the first place but once they have committed the offence they have no access to interpreting services to help them through a legal system which provides no judicial discretion anyway.

I am sorry, but I cannot agree with the Prime Minister that that is simply a matter of states rights. The consequence of the lack of any interpreting services extends beyond just the legal sphere. It is also impacting on the medical field, where there have been reports of Aboriginal women being sterilised without their consent. The failure to provide a translation service is completely inexplicable, given the number of reports and recommendations to government over the last 20 years, including from human rights bodies. These are breaches of Australian state and federal antidiscrimination laws and international human rights laws, in my view. I understand that Northern Australian Aboriginal legal services have made numerous representations to Minister Ruddock on this issue. It has been the simple response, ‘It is a state issue.’ Mr Deputy Speaker, that is code for ‘This government has no interest in pursuing the issue.’ This is not a state issue. If the Commonwealth agrees that it is a Commonwealth responsibility to provide a free interpreting service in 150 other languages, then I fail to see how adding Aboriginal languages is less of a Commonwealth responsibility. I urge the minister to rectify this problem immediately.

Young Achievers

Mr ST CLAIR (New England)—I rise today to congratulate a group of notable and energetic young achievers. In the last three weeks, I have had the pleasure of being invited to events where I was able to meet and listen to a number of young leaders from my electorate of New England. All of these events have been to promote the youth of this great country, who I...
believe are the future leaders of our communities and this nation. I would like to recognise in this place a number of these young people from around New England for their wonderful achievements.

First, two weeks ago, I had the pleasure of being a judge for the Armidale Miss Showgirl competition. As a judge, I would like to take the opportunity to congratulate the participants in the contest, Tarley Brennan, Diana Brazel, Jane Archibald and the winner, Angie Tully. Angie will now go on to represent the Armidale Show Society at the zone final in Dorrigo. From there, two girls will be chosen to represent this area in the final of the Miss Showgirl competition of New South Wales at the Sydney Royal Easter Show. I would like to wish all the girls the best for the future and the best of luck to Angie for the zone finals in Dorrigo.

Last Saturday, I was yet again another judge—this time for the Kootingal and District Lions Club Youth of the Year Quest finals. Congratulations to all the entrants, namely, Tom Donald, Sara Bryant, Amy Burrastone, Joel Cocking, Katie Law, Kate Biffin, Joanna Graham and organisers of this quest for making it such an enjoyable and successful event. While there can be only one winner of the zone final, namely Kate Biffin, all the young contestants were fantastic. The public speaking contest was won in great style by Sara Bryant.

I would also like to congratulate the Australian Youth Ambassadors for Development, Lee-Anne Molony, who will be working as an economist in the National Economics University of Hanoi in Vietnam; and Alexandra Murray, who will be working as an agriculture instructor in the Kanduhulhudhoo Island Development Society in the Maldives. This is a wonderful achievement by two outstanding young Australians. I had the pleasure of meeting these two on Tuesday night in Parliament House at a reception hosted by our Foreign Minister, the Hon. Alexander Downer.

Finally, Luke Adams, Fiona Lubett, Angus Priestley-Harker and Alexander Reese also receive my congratulations as school students representing New England attending the National Schools Constitutional Convention 2000, which is taking place in Canberra this week.

In closing, I would like to make the point that young people are the future of our towns in regional and rural Australia. Often, you hear that young people are not excelling in our communities and are not achieving in the bush. This is not true. The above are prime examples of what the younger generation are doing in our rural communities to provide a strong future for country Australia.

ABORIGINAL LAND RIGHTS (NORTHERN TERRITORY) AMENDMENT BILL (No. 3) 1999

Second Reading

Debate resumed from 8 December 1999, on motion by Mr Ruddock:

That the bill be now read a second time.

Mr MELHAM (Banks) (10.00 a.m.)—The Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 3) 1999 provides for the scheduling under the act of three parcels of land associated with the Warumungu and Frewena land claims. It arises out of a negotiated settlement between the Central Land Council, acting on behalf of the traditional owners, and the Northern Territory government and pastoralists.

The Warumungu land claim has been described by the Central Land Council as one of the longest and most bitterly fought land claims in the history of the land rights act. The claim, to an area east of Tennant Creek, was first launched in November 1978, but the claim did not come before the Land Commissioner until 1985 due to a number of legal attempts to block it. The then Aboriginal Land Commissioner, Mr Justice Maurice, recommended in 1988 a grant
of fee simple to most of the area covered by the land claim. A significant part of this land has been returned to its traditional owners since then.

Part of the recommendation included land that contained a stock route and a travelling stock reserve used by the adjoining pastoral interests. Negotiations continued over this part of the recommendation until a land swap was agreed upon. In return for giving up their claim to the stock route, the traditional owners received land of better configuration for their needs. It is the land subject to this land swap that will be scheduled under the act in this bill, along with the Frewena land claim, which lies adjacent to the south. As a result of these negotiations, only one part of the original Warumungu claim has yet to be dealt with—that part involving the Brumchilly pastoral lease. If and when this is resolved, the Warumungu claim will finally be settled over 20 years after its initiation.

When Mr Justice Maurice delivered his report, as required by the act, to the minister in July 1988 he included a short history of the Warumungu, pieced together from his investigation. It is worth while putting on the record in this parliament what Justice Maurice said about the Warumungu in that report. I will read from Report No. 31, which was tabled in Canberra in 1988, at page vii of the foreword:

One has only to read the accounts and view the photographs and drawings of Spencer and Gillen to realise that in 1901 the Warumungu were a flourishing nation in the ordinary sense: a large number of people of mainly common descent, language and history, inhabiting a territory bounded by defined limits and forming a society under one government. They were once reputed to be the most numerous, most intelligent and physically the best tribe in Central Australia.

Within a matter of years, the Warumungu had been almost completely dispossessed. They had fought vigorously to defend their inland state from the white invasion, but their spears and boomerangs were no match for the men on horseback carrying firearms. In 1962 the Commonwealth of Australia revoked the second, and last, of their token reserves: a worthless piece of land upon which no person could survive. When they made this claim in 1978, the Warumungu were landless.

Astonishingly, perhaps, much of the Warumungu identity remains, and even today the sense of belonging to the land is a powerful influence in the lives of these people of the Barkly Region.

The long and bitter fight by the Warumungu for their land claim is only one part of their story and only one of many stories in the history of the land rights act. But I believe it is one which emphasises the enduring spirit of Australia’s indigenous peoples. It is a story of struggle and pride, of a people overpowered by outsiders but who remained resilient in the nurturing of their identity and maintaining the connection with their traditional lands. It is also a story that clearly illustrates the fact that they were forcibly dispossessed of their lands.

The Warumungu were certainly the custodians of a specific area of land with an organised form of government, a ‘flourishing nation’, in the words of the land commissioner. These are not my words but the words of the land commissioner who conducted a lengthy and thorough investigation into the claim—words which, in simple language, unequivocally designate the Warumungu as prior custodians of their traditional lands, words that many people in Australia, including the Prime Minister, do not seem willing to acknowledge. Stories such as that of the Warumungu clearly illustrate the longevity of indigenous history and culture, their pride in the land, the resilience of their spirit.

The story of the Warumungu also illustrates the ongoing success of the Aboriginal Land Rights (Northern Territory) Act 1976. Several of the claims that have been scheduled under the act have resulted from negotiation. This negotiation has often been difficult and protracted, as in the case of the Warumungu claim, yet it is negotiation that has ended in results—results which indigenous Australians, pastoralists, miners and even the Northern Territory government have been able to live with. The land rights act is the most successful legislation
involving indigenous Australians in terms of these results. Once this bill has received royal
assent, 64 parcels of land will have been returned to their traditional owners. This land has
provided, and will continue to provide, its traditional owners with a sense of connection, a
sense of pride, and a place where they can enrich and celebrate their culture in traditional
ways. The involvement and support of indigenous Australians is the primary reason for the
success of this legislation.

Yet in the past few years we have seen an attempt by the Howard government to emascu-
late this most successful of acts. We have seen the Minister for Aboriginal and Torres Strait
Islander Affairs commission an expensive and time consuming review of the act, the Reeves
review, in an attempt to destroy the land councils set up under the act. The major problem the
Howard government has with the land councils is that they have been too successful. For
nearly a quarter of a century they have represented traditional owners in their land claims,
vigorously advocated the rights of indigenous people, criticised government when criticism
was due and struggled with successive obstructionist Northern Territory governments. The
Reeves review was a vendetta against successful land councils that were only doing their job
in representing their constituents, indigenous Australians. But so far the Reeves review has
come to nothing, simply because its recommendations did not have the support of the indige-
nous people whose future it sought to tamper with. When I travelled the Northern Territory
during the investigation of the Reeves review by this House’s Aboriginal committee, the
opinion of indigenous people who would be primarily affected was loud and clear. Indigenous
Australians did not want the land rights act, their act, amended without their support. So often
in the past the white man had taken from them that which they had enjoyed for thousands of
years. The land rights act has restored to traditional owners a small part of what they were
dispossessed of.

It is a message that should now be quite clear to the minister and his Prime Minister: leave
the act alone. We on the Labor side have listened to the wishes of traditional owners, and we
have a policy that reflects those wishes. Our national ALP platform clearly states:
Labor reaffirms, as the basis for the Aboriginal Land Rights (Northern Territory) Act, the principles of
the Aboriginal Land Rights Commission (Woodward Report), which include:
- the rights of traditional owners in relation to access and development on their land;
- the protection of sacred and significant sites; and
- the existence of adequately resourced Land Councils with statutory responsibilities for the rep-
  resentation and protection of Aboriginal interests in relation to land.
I have said time and again in this place that Labor adheres to the central belief that the land
rights act should not be changed without the prior consent of indigenous Australians and par-
icularly traditional owners. That is Labor’s commitment on this act. It would be a welcome
outcome if the government gave a similar commitment, recognising the importance of this act
to indigenous Australians. No longer would indigenous Australians in the Northern Territory
have to be concerned that the white man in Canberra was wishing to bring down an act which
they have successfully built up over 20 years.

When the Fraser government in 1976 passed the land rights act, it received bipartisan sup-
port. It received bipartisan support in Unlocking the future: the report of the inquiry into the
Reeves Review of the Aboriginal Land Rights (Northern Territory) Act 1976, conducted by the
House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Af-
fairs. It would seem a simple commitment to reconciliation if the minister returned to a bipar-
tisan approach on this act and ruled out any amendment of the act without the prior consent of
indigenous Australians.
I was part of that review. I note that the chairman, another member of the committee from the government side and also the honourable member for the Northern Territory are in the chamber today. We worked well as a committee in looking at the Reeves review. From a rocky beginning, we came together and achieved a consensus position in relation to our recommendations to the parliament. I commend all members of the committee, particularly the chair and coalition members. I saw a change in attitude—not that the members did not have a genuine position in the beginning—of the committee members. The members of the parliamentary committee worked constructively from a difficult position. It was our task to go and find out what indigenous people thought about it. We did not whitewash and divide on party political lines, or whatever, as often happens on parliamentary committees. I pay tribute to the chair in the way that he conducted that committee. He genuinely responded to concerns in the Northern Territory by indigenous people that it may have been another attempt to undermine what they regarded as a successful act.

The prime recommendation, the one that we cannot move away from—and I think it has been consistent with the theme since this act was introduced in 1976 by the Fraser government— was the question of consent of indigenous people. Our number one recommendation, right at the beginning, was that the Aboriginal Land Rights (Northern Territory) Act 1976 not be amended without traditional Aboriginal owners in the Northern Territory first understanding the nature and purpose of any amendments and as a group giving their consent. Any Aboriginal communities or groups that may have been affected were consulted and given adequate opportunity to express their views. That was the underlying theme in relation to our review. I commend the chair and coalition members and, indeed, the whole committee.

We on this side do not say that the act cannot be improved, that we cannot learn from our experience of the last 20 years. What we say is that we must remove it from a party political fight. I believe the government would be well served if they took the lead from the parliamentary committee. The Prime Minister on election night said that he had a commitment in his second term of government to reconciliation. This is one way to send the signal loud and clear.

I am disturbed about a couple of things. Today we are debating legislation that has consent across the parliament. That is the way it should be; it should be a cause for celebration. But it is a cause for disappointment in that it has taken so long for these indigenous people to get recognition in relation to their lands. What I am worried about is an article in today’s *Australian* headed ‘Push to Split Land Councils’ under the name of Richard McGregor, Chief Political Reporter, and Benjamin Haslem. It seems to indicate that there is a cabinet submission floating around in relation to the land rights act. If there is, I give the government clear warning now that, if they move away from what I think was a very constructive House of Representatives committee report that basically dealt with a difficult problem and go down the road of trying to impose amendments to the land rights act without the consent of Aboriginal people, they have a fight on their hands. My view is that it will be no credit to them.

We on this side are prepared, in consultation with indigenous people—as we have done—to consider amendments on their merits. Frankly, the Northern Territory government—the old stealth trick—want to undermine the NLC and the CLC because they see them very much as their opposition in the Northern Territory. But if this government thinks that the Labor Party and other parties in this government will sit idly by when they go down that path, then they are in for another think. It is good to have members of the committee who were involved in the committee report in the chamber. I believe that what the chair and coalition members did on that House of Representatives committee was correct, courageous and the right thing to do. I know that they would take up the fight within their own party if their report was deviated
from. On this basis, if it is to mean anything to the workings of this parliament and the committee system, especially a committee system that goes out to the coalface in difficult times and achieves unanimous recommendations on a parliamentary committee, then I say to the executive, or those wanting to run another agenda, that you should listen to it. If you do not, then in my view you diminish the institution of parliament. We had a committee that honestly and earnestly went out into a situation where people were distressed. They saw themselves being investigated again by a white ‘politician’ committee and they felt under threat and under siege because people were again playing politics with their lives.

It would have been easy for members of the coalition basically to produce a majority report and just run to a political agenda. They did not. The chair and other members of the committee deserve credit for that. Today is a cause for celebration, but the time for using Aboriginal people as a political weapon in the Northern Territory, Queensland or Western Australia is over. We will not cop that. We need to return to the days of cross-party support, and that is why I am happy to speak in positive terms about the legislation that this government brings into the parliament today, which are land handovers—causes for celebration. Just a signal that if the Prime Minister thinks he can tweak the opinion polls and shake public opinion and re-engage with the bush at Aboriginal people’s expense—because we are getting an extra seat in the Northern Territory; Shane Stone did this, There is the underpinning of the original Reeves review—and it is relevant to this, because it is a complete contrast to what we are doing today. There is too much politics in the Northern Territory at the expense of all Territorians. When there are amendments to the land rights act, I want to be here supporting the government, as I am today with these handovers. I want to be able to say that the national parliament is going to have a positive approach to indigenous Australians for a positive future—working with them and not using them as political tools to try to win seats, by-elections or whatever.

I commend this amendment bill to the House and say to the government—and I notice the minister representing the minister in the other place is here—that we will facilitate passage of this bill. These are the sorts of things that do not need long, dragged out debates. I have spoken a bit longer today, because I am disturbed by this newspaper article and the implications for all the good work done by the committee in settling down what was a volatile situation in the Northern Territory and for the assurances that were given by the chair and by other members of the committee that their views would be listened to and responded to in the halls of this place. This newspaper article today disturbs me. It means that all the good work that the chair and the committee did might have all been for naught because there might be a game being played in the oval office, in the corridors of power and in the executive. I am using this debate today to say that we will not shrink or walk away. I am sick and tired of Aboriginal people being used as a political tool in this country to go down the low road to seek to divide our community. I commend this bill to the House. I look forward to its speedy passage and proclamation and the return of these lands to their traditional owners.

Mr DEPUTY SPEAKER (Mr Nehl)—Before calling the next speaker, I trust the member for Banks acknowledges the leniency of the chair in not calling him to order to speak only about the content of the bill—which he did do for the first two or three minutes.

Mr WAKELIN (Grey) (10.21 a.m.)—It is a pleasure to briefly speak on the Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 3) 1999, which amends the Aboriginal Land Rights (Northern Territory) Act 1976, and to touch on a couple of comments from the member for Banks, who is the shadow minister and also a member of the parliamentary committee, along with the member for the Northern Territory and the chairman of that committee, who are in the Main Committee this morning.
I note that the main provision of the bill is to provide for three parcels of land totalling just over 8,000 hectares to be added to schedule 1 of the land rights act which will lead to the land being granted in fee simple to an Aboriginal land trust to hold for the benefit of Aboriginals entitled by Aboriginal tradition to the use or occupation of the land concerned. There has been a very long period of gestation—I note in the document something like at least eight years—so getting to this situation has taken a long time.

I will first touch on the Reeves report. I think John Reeves QC, a resident of the Northern Territory and former Labor federal member of this parliament, conscientiously prepared a report for the government. It was the role of the parliamentary committee to review that and, as the member for Banks has acknowledged, we thought we came up with some sensible signposts for the future in our report *Unlocking the future*.

I would like to put on the record that I think it is important that the land councils are accountable and that those groups that may, in whitefella parlance, be regarded as minority groups do get a fair hearing. One of my great concerns in listening to the evidence and in mulling over all the issues over a number of months was that those Aboriginal people who were not traditional owners should have their rights protected in some reasonable way. It seemed to me that enormous power was vested with the traditional owners. It was not that there was overwhelming proof that that was used unreasonably on all occasions, but sometimes I think it was. There was an important issue in looking at the land councils, from my perspective anyway, that all Australians, particularly all Aboriginal Australians who live in the Northern Territory, had some reasonable rights in access to land and in their economic future.

Of course, therein lies the very serious issue of this balance between traditional Aboriginal control and usage of land and the economic demands of a modern Western democracy. As many in the Northern Territory continually reminded us, they were rather pleased to see, in an inverse way I suppose, the native title issue come forward in the way it did because they said, ‘Now you understand what we have been enduring with the Land Rights (Northern Territory) Act 1976 for many years.’ And you understand that, whilst there are certainly legitimate rights for the Aboriginal people, there are also legitimate rights for other Australians. We constantly ran into this problem of what is the most appropriate balance of rights.

In terms of the economic future of this country, it is very important that miners have access to land, that pastoralists have access to land and that Aboriginal people are encouraged to use land for economic purposes which enhance their lifestyles as well. The whole reason behind the act, as John Reeves very clearly put to us in his final comments on the report in Darwin, is that, ‘Land rights have been achieved. Aboriginal people have won their land. There is a much more serious issue, or at least as serious an issue, in the welfare of Aboriginal people: their education, their employment and their extreme poverty. We must move from this period of quite activist land rights approach in political terms to a time when we must think about the genuine welfare and wellbeing of Aboriginal people as human beings.’

In the opportunity that is presented to me this morning, I would just like to highlight those few points. I wholeheartedly endorse the comments of the member for Banks, the shadow minister, about the way we were as a parliamentary committee able to come together under the wonderful leadership of our chairman to present a report which I think will be a useful tool in this process on the path into the future. With those few comments, I wish the bill speedy passage.

Mr SNOWDON (Northern Territory) (10.27 a.m.)—I am pleased to be able to contribute to this debate this morning for a number of reasons. Perhaps the first thing I should do is declare an interest. In 1984 I was an employee of the Central Land Council and my job included at
that time the rewriting and editing of the history section of the Warumungu claim book. I note
the comments that have been made by Justice Maurice in his final report. We need to understand
that this claim has taken almost 20 years. That says a lot about the way in which Abor-
iginal people of the Northern Territory have had to be patient in dealing with issues to do
with their rights.

I went recently to the handover of Elsey Station which again was as a result of action, in
this case by the Northern Land Council, to purchase Elsey Station and then, under the land
rights act, to transfer it to a native freehold title after a land claim process. Significantly, of
course, one of the comments which was made at that time was that, whilst there was a cele-
bration, there was a great sadness that many of the people who had been instrumental in
working on that claim had passed away. So it is with the Warumungu land claim and I am sure
the Frewena land claim. I know this is the case for the Warumungu land claim because some
of their senior elders, one in particular, died over the last 12 months.

We need to understand this experience of going through a land claim process. The Waru-
mungu land claim was a difficult land claim for Aboriginal witnesses. There was intensive
cross-examination, very hostile cross-examination, by those opposed to the claim. Yet these
people had to lay out in front of a judge their innermost being in terms of their rights and their
relationships to land. Significantly, Justice Maurice found in their favour. But significantly
also, as my friend and colleague the member for Banks has pointed out, he made significant
comment about the trials and tribulations of their history, their history of contact with non-
Aboriginal Australians—and let me say it is not a pretty one. They had experienced and, in-
deed, many would argue have continued to experience, a great deal of hostility over many
years from those people who originally settled Northern Australia. And they were the subjects
of government fiat—they had their lands appropriated by government fiat without any con-
sultation, without any negotiation; they had their reserve relocated because the mining indus-
try was interested in developing the area that they were originally on.

I feel very deeply about these subjects, and I say, ‘I declare an interest.’ I declare an interest
as I was an employee of the Central Land Council. I declare an interest as the member for the
Northern Territory, that I was first elected in 1987. Land rights has been a very central part of
my life for 20 years—and I make no apology for it. I have seen the debates which have raged
in the Northern Territory and in the broader community about the issue of land rights, where
Aboriginal Territorians and Aboriginal Australians generally have been pilloried by conserva-
tive political opponents, by governments, by ministers, by chief ministers in the case of the
Northern Territory, where they have sought to divide the Northern Territory community gen-
erally on the issue of race over the question of land rights. I remember these occasions vividly.

I know that in every election I have fought since 1987 my relationship with Aboriginal
people has been the subject of attack by the Northern Territory CLP and by my Liberal Party
opponents here in Canberra. Well, I tell them: understand me, I make no apology, and I will
continue to stand up for something which I think is right. And let me make it very clear to the
government: as a result of the article in this morning’s Australian, you be put on notice, you
understand that if you seek to amend the act in a way which is opposed by those
people in the Northern Territory who are the owners of Aboriginal land—

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—Member for the Northern Terri-
tory, as the Speaker in the main chamber has said, you do not use ‘you’. If you could address
your comments through the chair, thank you.

Mr SNOWDON—I am talking about the Commonwealth government. I am saying to the
Commonwealth government, through you, Madam Deputy Speaker: if you, the Common-
wealth government, seek to amend the act in a way which is opposed by traditional owners in
the Northern Territory, it will be opposed by the Labor Party. And I say to them: look at the very first recommendation of this report, *Unlocking the future*. It is the central and core recommendation; indeed, the recommendation which qualifies every other recommendation in this document. The first recommendation of this report, which was so ably chaired by my colleague opposite, reads:

**Recommendation 1**

The Aboriginal Land Rights (Northern Territory) Act 1976 ... not be amended without:

- traditional Aboriginal owners in the Northern Territory first understanding the nature and purpose of any amendments and as a group giving their consent; and
- any Aboriginal communities or groups that may be affected having been consulted and given adequate opportunity to express their views.

I say to the government: you are on notice—unless you meet that objective, unless we can see very transparently that in any attempt to amend the land rights act you have first had the informed consent of these people, then we will oppose it. And I expect that my colleagues on the government side of the House who are part of this committee's report will take the same position. After all, this committee's report was unanimous.

The government has a number of proposals which I understand to be the subject of a cabinet submission. These proposals deal with, among other things, amendment of the objects of the act. There has been no attempt thus far to negotiate with Aboriginal people in the Northern Territory or to inform them about these issues. There has been no attempt to sit down with the traditional owners in the Northern Territory and inform them. Yesterday and today, in Tennant Creek, there is a meeting of the Central Land Council, with all the representatives of the Central Land Council coming together—some 80-odd people from all over the Central Land Council area, which is roughly half the Northern Territory. No-one from this government has gone to the Central Land Council with a set of proposals and said to them, 'We would like to discuss these with your membership.' These proposals have, by the way, been put to ATSIC but they have not been discussed with the people of the Northern Territory. As well as the proposal to amend the objects, there is a proposal to break up the major land councils, in a way. What they say is in some part in accordance with the recognition of this report. They propose to form an assessment process for the formation of new land councils. As well, there is to be a plebiscite, conducted by the Australian Electoral Commission, requiring a majority of 55 per cent of the formal vote. Hello, what have we got here? This is the informed consent of an absolute majority. It is not the informed consent of traditional owners. I take the House back to the report of the House of Representatives standing committee, recommendation 7 of which says:

Section 21(3) of the Aboriginal Land Rights (Northern Territory) Act 1976 (‘the Act’) be amended to:

- define ‘substantial majority’ as at least 60% of those Aboriginal people living in the area; and
- require the Minister to be satisfied that the appropriate traditional Aboriginal owners have given their informed consent to the setting up of a new land council in accordance with section 77A of the Act.

The current proposal being put forward by this government—being discussed by the cabinet, we understand—to have informed consent of those traditional owners says 55 per cent. How does 55 per cent equate to a substantial majority under anyone’s definition? It is a very cute trick by the government in this issue.

There is also a proposal to deal with the issue of sacred sites. I will not go into my comments on that issue at the moment because there are other matters I want to address. Needless to say, the proposal is to exclude, in large part, the land councils from their current roles under
section 69 of the land rights act, which gives them a role in relation to sacred sites. The government needs to understand that this will be a particularly contentious issue amongst Aboriginal people in the Northern Territory. I would say to the government that again it should go back to principle No. 1, informed consent, before seeking to impose these laws upon the Aboriginal community of the Northern Territory in relation to amending the land rights act. The government would be well served to go back and look at the two reports produced by royal commissioner Justice Woodward and the subsequent review reports done by Justice Toohey in relation to the land rights act, to see exactly what was said about these particular issues.

There is another proposal being put forward by the government about the application of Northern Territory laws. They are proposing to amend the act to provide that certain Northern Territory laws, such as those related to environmental protection and conservation, public health and safety, the supply of essential services and maintenance of law and order or the administration of justice shall apply to Aboriginal land, and there are others. This committee looked at this issue and could find no evidence that there was any difficulty with the application of Northern Territory laws in relation to Aboriginal land. The committee recommended that the Minister for Aboriginal and Torres Strait Islander Affairs consider whether the powers need to be extended, but then go through a process of consultation, discussion and negotiation. In fact, under core principles, under the committee’s recommendations in that particular chapter on page 136, paragraph 8.40, it says:

As stated in the previous chapter, the Committee believes that negotiation and consultation are the best methods of achieving mutually satisfactory outcomes and a productive partnership between Aboriginal people, non-Aboriginal people and the Northern Territory Government.

This does not propose that at all. There is also a proposition for compulsory acquisition of Aboriginal land in the Northern Territory. There is no case for the compulsory acquisition of Aboriginal land in the Northern Territory. Again, this issue was looked at seriously by the House of Representatives committee and they unanimously came down with the view that there was no case for this proposal, yet it is a proposal which is being picked up by the minister and, presumably, by the cabinet. They are putting this proposal forward, knowing full well that there has been a process, the Reeves report, and then the House of Representatives standing committee came down with a unanimous report rejecting this proposal.

I am not a cynic, but I have serious concerns about what is behind these ideas. There are proposals in the government’s submission to deal with the Aboriginal benefits trust account, to deal with mining provisions of the act. I am sure there has been no attempt to have any process of discussion or negotiation with those people who are affected by these issues. There are a range of other issues which the proposals by the government address, and the bottom line is that unless these proposals have the support of Aboriginal people, unless they have their informed consent, they will be opposed by the Labor Party.

We have heard a great deal recently from the Prime Minister about the need for reconciliation. I say to the Prime Minister and this parliament that, if they believe reconciliation is going to be achieved by seeking to divide the community against Aboriginal Australians or if it is going to be poll driven, they are wrong. I have been the subject of a great deal of vilification because of my relationship with Aboriginal Territorians over many years. I can smell a rat. I have a real suspicion about this issue. My real suspicion is that this is another attempt by the Commonwealth government. Shane Stone, previously the Chief Minister of the Northern Territory, is now President of the Australian Liberal Party. This is a real attempt by the government to ensure that there is a divisive political debate over the issue of land rights in the Northern Territory and in Australia generally. They will try to capitalise politically on this issue over time as we lead up to the next federal election. That is their intent. I have no doubt. But I put them on notice. If they believe we are going to be cowered by these sorts of attempts
to intimidate the Australian community and to vilify Aboriginal Australians, they are sadly mistaken. If the Prime Minister were half a leader, he would do what this committee has done. He would not seek to amend this act, which has been so important to Aboriginal Territorians, without their informed consent as a bottom line.

But I fear that will not be the case. My fear is that the Prime Minister, for whatever reason, whether it is a cynical political exercise that I alluded to a moment ago or otherwise—I think there is an intent here, which has been articulated by the Minister for Aboriginal and Torres Strait Islander Affairs in his submission to the cabinet—will attempt to override and bully Aboriginal Territorians to accede to the government’s wishes.

There will be a great deal of discussion about these issues in the weeks to come. Among these issues there will be attempts to attack in a pejorative way the way in which the Northern Territory land councils work. Let me say that these organisations are not beyond reproach; these organisations are not beyond improvement; these organisations must be accountable. But again, these are questions which were examined in detail by the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs. These are questions on which the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs made specific comment. It is worth while noting—and the chairman of the committee is going to be on his feet in a moment—that we have not had, as I understand it, a response from the government on the recommendations of this committee’s report.

Mr Snowdon—We have. Perhaps my friend and colleague the chairman of the committee will inform us of that when he gets on his feet. But I can say to you, Madam Deputy Speaker, that in the context of the way in which the government are dealing with Aboriginal issues and indigenous issues generally, they must be put on notice. The way you are dealing with these issues is not good enough. Yesterday we had the sorry sight of this parliament gagging the Leader of the Opposition for seeking to take up with the Prime Minister the issue of reconciliation and his lack of leadership on the issue. We are seeing another example of the lack of leadership by this government over these attempts that we will see, no doubt, in the form of draft legislation very shortly to amend the Aboriginal Land Rights (Northern Territory) Act 1976. What this is about is eroding rights. What this is about is taking away the rights of indigenous Australians. I can say to this House and to the members opposite that they will have a fight on their hands. I do not believe any proposals that they put in accordance with this will get through the parliament. (Time expired)

Mr Lieberman—We have. Mr Lieberman—We have. Perhaps my friend and colleague the chairman of the committee will inform us of that when he gets on his feet. But I can say to you, Madam Deputy Speaker, that in the context of the way in which the government are dealing with Aboriginal issues and indigenous issues generally, they must be put on notice. The way you are dealing with these issues is not good enough. Yesterday we had the sorry sight of this parliament gagging the Leader of the Opposition for seeking to take up with the Prime Minister the issue of reconciliation and his lack of leadership on the issue. We are seeing another example of the lack of leadership by this government over these attempts that we will see, no doubt, in the form of draft legislation very shortly to amend the Aboriginal Land Rights (Northern Territory) Act 1976. What this is about is eroding rights. What this is about is taking away the rights of indigenous Australians. I can say to this House and to the members opposite that they will have a fight on their hands. I do not believe any proposals that they put in accordance with this will get through the parliament. (Time expired)

Mr LIBERMAN (Indi) (10.49 a.m.)—I welcome this Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 3) 1999 to amend the Aboriginal Land Rights (Northern Territory) Act 1976. I commend the Minister for Aboriginal and Torres Strait Islander Affairs, Senator John Herron, the Prime Minister and the government for facilitating the process through this amendment bill to ensure that the land of the traditional owners—the subject of this legislation—is vested fee simple, freehold, with the Warumungu people and also the Frewena people.

This legislation enables the resolution of some 20 years of very intense discussion, and sometimes dispute, between various players in the Northern Territory and fulfils, as I understand, the vision and hope of the traditional people and their community to have a secure title to this land, which is crown land. It is not private land, and that should be understood. In fact, all the land transferred under the Aboriginal Land Rights (Northern Territory) Act since 1976—vested in Aboriginal people in freehold, in fee simple—is land that was not privately owned land in the first instance. It has been unalienated crown land in the main. That needs to be understood. The area of land now vested in Aboriginal people in the Northern Territory is
something like 50 per cent of the total landmass of the Northern Territory. It is a vast area of land.

When the committee which I have the honour of chairing, the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, was asked by the minister, Senator John Herron, to consult with the Northern Territory community, particularly the Aboriginal people, about recommendations made in the John Reeves report, we knew that our task was an immense one. We arrived with goodwill, a clear mind and with a serious sense of purpose to listen carefully to the people of the NT—from the Aboriginal communities and the non-Aboriginal communities—the NT government and the agencies representing Aboriginal people, such as ATSIC and others, the mining industry and other areas of commerce. We went there with that intent. We did our best. We were a committee made up of members of all political parties. Some of them have spoken today—the member for Banks, the member for the NT and the member for Grey. Madam Deputy Speaker, you would have detected the strongly held, passionate beliefs of some of those speakers. You would have undoubtedly, as a very observant person with insight, also detected the gulf, the feeling of distrust and the feeling that things are not the way they ought to be which was reflected in the comments made, particularly by the member for the NT and by the shadow minister.

As chairman, it was a challenge for me. I had to make sure, on the one hand, that the passions of those people were not in any way restricted but, on the other hand, that they would not dominate. The views of the people being consulted by the committee were the views that we had to listen to. We then had to evaluate them and not allow our own sense of prejudice, if there was a sense of prejudice, or a preconceived notion, to dominate.

The report which we presented to the parliament last August, which was called Unlocking the future, was a result of those endeavours. The people who gave evidence and made submissions to the committee were very good people whom I respect. Whilst there was disagreement amongst many of them on some issues, there was a common sense of purpose coming through from the community which we consulted—both Aboriginal and non-Aboriginal people—that there had to be a lot of effort put in to make the life of Northern Territorians better, to ensure that the rights of people were respected, that people were treated equally and that the disadvantage suffered by Aboriginal people and their serious health, education and employment issues were addressed as well.

There was a very strong feeling that this was a heaven-sent opportunity, thanks to the minister, Senator Herron, to turn the page on what had been, in the last 25-odd years, a serious division, led by lawyers and anthropologists, with millions and millions of dollars being spent on legal fees, on disputing claims and having to prove them to the utmost point of law, rather than spending money that became available through royalties and the like on improving the education, health, training, housing and environment of the most seriously disadvantaged people in this country—the Aboriginal people.

I sometimes had to constrain my sense of anger that we have seen these huge amounts of money expended on legal fees that could and should have been better directed towards targeted programs to improve the health, education, training, housing, employment and environment of Aboriginal people. In that sense, the Howard government, and the ministers involved directly in these matters, John Herron and Philip Ruddock, have done a magnificent job, along with Michael Wooldridge, in targeting the contribution by the Australian people to improve the health, education, training, housing and environment of our Aboriginal fellow Australians.

Some $2 billion now being expended by this government on behalf of Australian taxpayers is being targeted to address those serious issues that regretfully previous governments of both
political colours, but particularly the Labor government in the previous 13 years, did not address with the energy and vigour that they should have. Might I also say that it was so obvious to me as chairman of this committee that there was also a lack of true partnership. There were many opportunities being lost by the community, by Australia and by Northern Territorians, in tackling, enhancing and improving the economic position and the self-reliance of Aboriginal people particularly, getting them off welfare so they are not drowned and consumed by welfare. There were so many opportunities that we could see were lost because of the distrust and the political argy-bargy that has been going on for so long.

In the recommendations of the committee therefore, whilst they were unanimous, there was division between the government and non-government members on some very core, fundamental issues. They are in our report. The consensus amongst us was that if you are going to look at the legal rights of people who own land in Australia, the first thing you have got to do is to respect their rights. Coming from the coalition government and as a member of the Liberal Party, it is not difficult for me to get passionate about the need for parliaments and political parties of all persuasions to start off any dialogue about public policy or review of public policy on the basis that you respect the rights of people to their hard-won property which has come from hard work, sacrifice and toil and, in the Aboriginals’ case, having had to fight through the courts after having gone through royal commissions to get a legal title to some of the land that they had been dispossessed of. The core value for us was that, if we are being asked to recommend changes to the Aboriginal Land Rights (Northern Territory) Act, we are going to be recommending changes, but we are going to be recommending changes that respect the fact that this land under the control of the land councils, land trusts and the Aboriginal people is owned by them now. It is not government land any longer. It is owned by them.

If we were talking to a group of freehold landowners in Melbourne, Sydney or the Gold Coast as a government proposing to do some public policy thing about the management of their land, it would be absolutely fundamental that a modern government and a parliament such as ours would approach any review recognising and valuing those principles. That is, if someone owns a freehold title, it does not matter whether they are Aboriginal or non-Aboriginal. If you are a government and you want to change the rules or the game plan, then you should do it recognising that you are talking to someone who owns that land. They have to be treated with respect. You have to have strong public policy justification before you decide that you are going to change the rules about how those people’s land should be changed or managed. That was a very basic fundamental foundation for what we did.

What we have done in our report is try to unlock the future. We have said that one of the very important things that needs to be recognised by Aboriginals and non-Aboriginals in the Northern Territory is that their future, because of the nature of the land in question, is very much to do with the future of the mining industry because employment opportunities in outback Australia as we all know are very hard to come by. Employment opportunities through proper mining activities and exploration, sustainable tourism and certain agricultural pursuits, recognising the environment and doing the right thing there, are the way to go to create jobs for young people in the outback, particularly our Aboriginal fellow Australians.

What we have done in our report is try to unlock the future. We have, for example, said that one of the very important things that needs to be recognised by Aboriginals and non-Aboriginals in the Northern Territory is that their future, because of the nature of the land in question, is very much to do with the future of the mining industry. As we all know, employment opportunities in outback Australia are very hard to come by. But employment opportunities through proper mining activities and exploration—recognising the environment and doing the right thing—and through sustainable tourism and certain agricultural pursuits are
the way to go in relation to creating job opportunities for young people in the outback, particularly our Aboriginal fellow Australians. So we were united in saying that the mining industry’s future is very much bound up with the future of Aboriginal people and that there have to be appropriate provisions in the Aboriginal Land Rights (Northern Territory) Act to ensure that mining is encouraged in proper circumstances and that there is a mechanism to bring together people who own the land and the proposers of the mining activity to ensure that a partnership can be forged.

We also strongly held the view that one of the problems with the white man in Australia, well intentioned, and Aboriginal affairs is that we have actually fallen into the trap of saying, ‘We can prescribe for your benefit the way in which you should live your life and manage your affairs.’ If you look at all the legislation, state and federal, on Aboriginal affairs, you will find this very prescriptive approach: there shall be a body set up to manage this, and it will be appointed by ministers, subject to consultation. Of course, ATSIC is now—and I welcome this—able to elect all its members, including its chairman, which is great. They are not appointed by a minister. We found that the Aboriginal Land Rights (Northern Territory) Act, which was developed by the royal commission of Woodward some 25 years ago, supported by a Liberal government, introduced by a Liberal Prime Minister and supported by the Labor Party, was too prescriptive. Reeves, the man who did the review, in my view—whilst I respect him very much—was also falling into that trap because he was saying that, instead of having the number of land councils we now have, four, we shall have 18. Magic: we shall have 18—that is the best way to manage the freehold lands of the Aboriginals in the Northern Territory.

The committee said, ‘Hang on. The Aboriginal people should be the ones because they own the land now. Like any other group of landowners in Australia, if they want to club together and manage their land, they should fundamentally have the right to decide how it will be managed.’ So our recommendations enable Aboriginal people to have a procedure, with a plebiscite, to create any number of new land councils out of the existing big ones if they want. But it is not a minister who will take the running in these matters, it is the people from the ground up. One of the great hopes I have, one of the strong beliefs I have about the future of Aboriginal people in this country is that the more you can encourage Aboriginal people to make their own decisions, to argue and to negotiate at community level about policy to do with their own affairs, their own life, their own land, the better; the more you will then find that they will come off welfare; the more you will find that they will develop enterprise and initiative and that their health and other things will improve, because there is nothing worse than growing up in a community where you are doomed never to be employed and where your total subsistence will be welfare, from the day you are born to the day you are buried.

That has unhappily been part of the—I know not intended—consequence of former governments’ policies, of managing because you thought it was the best way to do it instead of getting out of the system and letting Aboriginal people make their own mistakes, just like white people can in the community. If you own freehold land and you are a member of the non-Aboriginal community, you should be able to organise your own affairs. In local government—and I was a minister for local government in Victoria—it is possible to create and to lobby for new structures, new boundaries for local government, and you make your own decisions to manage the group of lands which you, as a community, individually contribute. So we say in the report that there should not be a prescriptive 18 land councils. What we say is that there should be no limit to the number of land councils, that it is the Aboriginal people who should make that decision, so let us facilitate an election process whereby they can argue it out, have an impact statement, a proper feasibility study, done and then vote on it. Why not?

We were bold enough to suggest that there should be another amendment to the act, to say, ‘And furthermore, if a group of Aboriginal owners and their community do not want a land
council to manage their land, they can opt out and have no land council.’ What a revolutionary idea—something on which white freehold landowners in Australia would say, ‘What’s different about that? That’s fundamental to our rights.’ But the Aboriginal people in the Northern Territory have not got that right. If it is land under the Northern Territory land act, they have to have a land council because parliament said 20-odd years ago, ‘You have to have a land council, brothers and sisters, otherwise you can’t have your land.’ That is crazy stuff. That has got to be swept aside. That is why our report unlocks the future. It gives the Aboriginal people a range of choices—a range that they should have had years ago. Undoubtedly the parliament, the government and the community will consult very well in respect of the government’s response to these reports, and I hope they will pick up the message that we in the committee are trying to give.

We were very unhappy with the way in which royalties and income from the lands of the Aboriginals were being distributed. There are no targets; there are no strategies; there is no accountability; there are no audit measures of performance. We made a number of bold and simple but good recommendations that the act be amended to incorporate those things. We also suggested that the advice of one of the most respected organisations in the free world, the Australian Commonwealth Grants Commission, be enlisted to assist in the way in which you can target and give advice in the distribution of these matters.

I have run out of time. There are many other things that I could talk about but I will conclude by saying that I will be retiring from parliament when this parliament is dissolved—at the next election. I will work right up to the end and afterwards to try and help bring parties together, to reconcile and to work together and to forge partnerships. I have seen in the Northern Territory some of the most exciting potential to achieve that, with goodwill, with wonderful people, Aboriginal and non-Aboriginal. I think this parliament should now, in this first year in our century, do all it can to bring the parties to sit together. I believe if they do that they will succeed in arriving at appropriate amendments that will unlock the future and, hopefully, remove the minister for Aboriginal affairs from 99.9 per cent of the affairs of Aboriginal people. Just as all Australians hope that there will be less government interference in their affairs, so it should be for Aboriginal people.

Mr Ruddock (Berowra—Minister for Immigration and Multicultural Affairs and Minister Assisting the Prime Minister for Reconciliation) (11.08 a.m.)—in reply—I would like first to take the opportunity of thanking the members who have spoken in this debate. Particularly, I thank the member for Indi for his very helpful and thoughtful comments. As one who has admired his contribution in the relatively short period that he has been in this parliament, I am disappointed that he has seen fit to choose such a time to leave us, because I see him as being very much at the peak of his contributions and able to assist very positively in the work that he has been undertaking. I am sure there is a great deal still to be done and I am glad he will continue for the remainder of this parliament. I commend him for the work and the leadership that he has given.

The members for Grey, Banks and the Northern Territory also contributed. The member for Grey outlined in a very positive way the legislation that is before us and some of the proper concerns that he had in mind. The member for Banks took the opportunity to commend the legislation that is before us. Really, that was a more appropriate way to deal with this debate, because the balance of his speech, and that of the member for the Northern Territory, was—to use some colloquialisms—‘tilting at windmills’, ‘creating straw men’ and then proceeding with great vigour to knock down the straw men that they had created.

I have seen the article in the Australian. I cannot comment on it because I have not seen a cabinet submission. There may well be one that I will see at some time in the future. I have
not seen a cabinet submission and, even if I had, I would not be commenting on a cabinet submission. There are processes by which, at times, cabinet submissions are the subject of consultation within government. People become informed of those proposals. I understand there may have been some discussion with ATSIC about drafts and proposals, but that does not mean they are a cabinet submission. It means that they may have been asked to comment on a matter that could be the subject of a submission to cabinet. It may well be that the baseless allegations of the opposition suggesting that we had been involved in leaking information came from one of the organisations that was consulted. If that were the case, I would of course be disappointed.

It may be that opposition members themselves have had a role in relation to that—I am not to know. They were certainly enthusiastic in wanting to make some points. I think the points that they were making very much belie their own insecurity. The points they were making about lack of leadership stem from the concern they have about the public perception of themselves and their own leader. If you look at the failure of the opposition leader in so many areas, it is apparent that they are feeling very sensitive about it. It is certainly apparent in the area of taxation: the opposition is failing to give any leadership. It lacks policies. It certainly cannot tell us what it intends to do about income tax, for instance.

Another area in which I am vitally interested is the area of immigration. There is a lot of talk and bluster but no leadership, no policy statements, no ideas about where they would take us. In relation to the process of reconciliation, the Prime Minister has been committing the government to reconciliation. The Prime Minister has made it clear on the advice that he is getting from the Council for Aboriginal Reconciliation that the task may not be able to be fully completed at the time set by the legislation. This was introduced by the Labor Party when they were in office albeit with support from us. It was certainly appropriate for the Prime Minister to indicate the nature of the counsel and advice that he was getting, that the arbitrary date that had been established 10 years ago may not be able to be met.

And there is a lot of truth in that. People believe that reconciliation is only going to come from a meeting of minds amongst the peoples of Australia. The process of developing a people's movement, of bringing people on board, of talking these issues through, is one that will need to be ongoing. But the commitment of the government should not be in doubt. The Prime Minister has reiterated that commitment. The Prime Minister is providing leadership.

In relation to these matters, I find that it is the opposition that want to create division. Here is an area in which they could be bipartisan. They could work with us; they do not have to be out there creating straw men. They do not have to bring motions into the parliament, trying to have parliament debate them as a matter of urgency when there is time on the agenda each day to put matters up for a structured debate—and they could have.

The Leader of the Opposition came into the parliament yesterday without advising, it seems to me, the Prime Minister. Otherwise he would have been there. He wanted to trap the government into a debate in order to be able to create this straw man. That is not about leadership on the opposition's part. That is not about cooperation. That is not about bipartisanism. It is about division. And the speeches we have heard here today! The members have come in. They have postured. They have made the speeches and then they have gone. It is not about a meeting of minds.

The fact is that we are debating legislation that does not warrant any opposition. That is the reality. We are dealing with legislation, the Aboriginal Land Rights (Northern Territory) Act 1976, introduced by the Fraser government. It is an act to grant traditional Aboriginal landowners in the Northern Territory land for the benefit of the Aboriginal people and for related purposes. It does establish land councils, which are appointed under the act, to hear traditional
claims over unalienated crown land in the Territory. The act provides for a grant process involving the land commissioner, and the act provides a different process for granting land, where the minister is able to recommend to the Governor-General a grant in fee simple to be made over land that has been scheduled in the act. Land can only be included in that schedule by an amendment to the act—an act of parliament. All land in that schedule comprises land that has been put there essentially as a result of agreement.

The land to be added to the schedule today in this bill is the subject of an agreement between the Northern Territory government and the Commonwealth to provide living areas for Aboriginal people associated with pastoral leases. In recent years, land has been added to schedule 1 as a consequence of agreements reached between land councils and the Northern Territory government. That land has been the subject of a claim, and the Territory has agreed not to contest it before the commissioner, and that has saved taxpayers’ money. It is an element of cooperation and agreement. Agreement has been reached to facilitate a grant of land which had been recommended for grant by the commissioner, but where others might incur significant detriment if the title to that land were handed over.

This is what has happened in this case. The commissioner of the Warumungu land claim near Tennant Creek recommended that portions of the stock route passing through Rockhampton Downs Station be granted to traditional owners. The problem was, however, that the station had infrastructure on the land and had used it as if it were part of the station. Whether that was right or wrong, ultimately the owners of the station, with the support of the Northern Territory government, sought to negotiate an agreement to allow beneficial grants to be made to the traditional owners while ensuring the operations of the pastoralist were not unduly disrupted. The bill that we are now debating gives effect to that agreement and is supported by the Northern Territory government, the pastoralists and the Central Land Council. The agreement was made in 1995. Some comment was made about delay, but that was because there was a need for surveys, for fencing and for other works and actions that were required under the agreement to be completed.

It was only on 29 March last year that a letter was sent requesting the scheduling of the land. The amendment will add three parcels of land at Rockhampton Downs in the Northern Territory to the schedule to enable three new land trusts to be established. The land is situated about 100 kilometres north-east of Tennant Creek near the Barkly Highway and comprises parts of areas 14 and 15 of the Warumungu land claim. The land commissioner, Michael Maurice, presented his report in July 1998, and most of the land recommended for grant has since been handed over to the traditional owners.

In addition to setting down this part of the land claim, as it relates to the Rockhampton Downs Station, it also settles the Frewena land claim. The land to be scheduled comprises one large and two small parcels of land. The large block of land is shown as the Northern Territory portion 4802 on the approved survey plan of 95/36A and covers an area of 6,257 hectares. It is the eastern part of the claim area and its southern boundary that abuts the Barkly Highway and also incorporates the land subject to the Frewena land claim. The name of the land trust, which will be established for this block, is the Kurnturpala Land Trust.

The two small parcels of land comprise Northern Territory portions 4801, formerly of the South Barkly stock route, and 5798, a small triangular parcel of land situated between the NTP 4801 and the land belonging to the Warumungu Aboriginal Land Trust. The size of the blocks of land are 1,252 and 585.4 hectares respectively, and they are situated 50 kilometres north-west of the NT portion 4802. The names of the land trusts, which will be established for each of them, are the Kalumpitja Land Trust and the Kalumpitja 2 Land Trust respectively.
What is the parliament to conclude from this? Firstly, contrary to some uninformed views that we hear from time to time, particularly in the press, this government is committed to Northern Territory land rights for Aboriginal people. This bill will result in a grant of another three areas of land to Aboriginal people. In the past 12 months, the government has handed over title deeds to six large pieces of land in the Northern Territory, including, only last month, the historic Elsey Station and Central Mount Wedge. I know the Minister for Aboriginal and Torres Strait Islander Affairs handed the title over at Elsey, and I attended the ceremony at Central Mount Wedge with the Governor-General when that process was undertaken.

The government is of the view that granting land claims under the Northern Territory land rights act is a very important part of the process of reconciliation and will continue to support the granting of land to Aboriginal people under the act. Secondly, some of our political opponents who continue to claim that the Northern Territory government is opposed to land rights and who vote against reasonable measures, such as those contained in the Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 2), which were to give effect only to an agreement that the Labor government had reached with the Territory, should think again, and I would encourage them to do so. The facts are that, increasingly, the Northern Territory government is asking the Commonwealth to grant land after it has reached an agreement with land councils. The bill is a good example of how the government, and I believe taxpayers, would prefer to see claims settled—that is, by avoiding litigation and land claim hearings and by reaching fair and workable agreements between all parties. I might say that we are more likely to see resolution of those matters in that way if the opposition were to put aside the silly point scoring and the divisive speeches that we heard today, stop trying to create straw men to knock down and get down to the task of working through these issues constructively with us.

Question resolved in the affirmative.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

CENSUS INFORMATION LEGISLATION AMENDMENT BILL 2000

Second Reading

Debate resumed from 17 February 2000, on motion by Mr Hockey:

That the bill be now read a second time.

Mr HOLLIS (Throsby) (11.24 a.m.)—I am pleased to participate in this debate and I can assure the minister that my speech on this topic will not be divisive. The ALP supports this legislation, and indeed I do; it is long overdue. There has been debate for some time over the years on this topic, but I think it is mainly because of concerns about privacy that it has not been brought on.

At this time I would like to pay particular tribute to a former colleague—the former member for Cook, Stephen Mutch. I know he would be very pleased that this legislation is coming up at long last. He had a particular interest in this topic and, indeed, on 14 October 1996 introduced a private member’s bill, which I spoke on at that time. When I occasionally see him at other functions, he often brings up this topic.

The Census Information Legislation Amendment Bill 2000 proposes storing name-identified 2001 census information for a period of 99 years. Few of us here will be available to see the release of that information, I suspect. It will be very important for genealogical and other research. Only the 2001 census household information which is considered relevant will be stored. The information will be stored by the National Archives of Australia.
The bill also changes the name of Australian Archives to the National Archives of Australia. The name change actually occurred some two years ago, I think, when they moved into the new archives building but the government neglected to amend the relevant legislation.

The cost of the proposal in the bill is something like $11 million over four years. This includes the cost of an extensive public education campaign and the transfer of information to an appropriate archival format. Costs in relation to the name change have already been incurred. It is important that this education program is carried out because I know from past experience that, immediately you start talking about governments storing information, you get a certain amount of scaremongering in the community. You get the inevitable question, ‘What do government want this information for? What are they going to do with it?’ And you will get, as is unfortunately the case in Australia as in other countries, many people with conspiracy theories. They will contend that somehow this is a great threat to human life and existence or civilisation in this country as we know it.

The retention of name-identified census information was the subject of an inquiry by the Standing Committee on Legal and Constitutional Affairs in May 1998. In a report entitled Saving our census and preserving our history, the committee concluded that the saving of name-identified census information ‘for future research, with appropriate safeguards, will make a valuable contribution to preserving Australia’s history for future generations’. I could not agree with that more.

The uses identified by the committee for the 2001 census information include the compiling of family trees, genetic research and other historical purposes. The report by the committee does, however, suggest that information to compile family trees is currently available from sources other than the census information, although possibly with less effect. I know that as a fact because I have been very involved for some time in the Kiama family history centre where people compile family histories using the research facilities there. But I think it is more important than just family history. We are talking in this legislation about only the 2001 census. It is very valuable in that it gives us, if you like, a complete snapshot in time of the Australian people. It will be an invaluable and, indeed, a unique record that could be used in future for all sorts of things, not least medical research. There are many ways it could be used. For that reason, I think it is very important.

Australia is one of the few countries in the world that used to pulp its census forms. The data was kept but the records, names and addresses have been destroyed along with the census form. This used to happen about 18 months after the collection. Census collection is not cheap. A census costs over $100 million, so it is very important that that information is used.

It was my privilege, in those days when we were in government, to serve on the advisory council of the Australian Archives and I served there for some 10 years. Each year I remember the advisory council used to have a very long debate about the retention of the information on the census form, and always in the annual report of the Australian Archives we used to recommend that this information be preserved. Over that 10-year period there was a whole change of membership of that committee and, as new people came on to the committee, they would always enthusiastically come along with the idea that the information should be retained. As I said, it was an expensive exercise collecting it and it always seemed to me to be a dreadful waste that it was just destroyed.

Other countries do retain this information. In Britain they retain the information and it cannot be accessed for 100 years. In the United States it is something like 75 years. There has been debate over recent years in Germany about privacy considerations. In the Netherlands there has also been debate about private considerations. It is important that these countries, after long debate, have retained the information and it is good that Australia eventually is
coming along to this conclusion. I know that there will be debate in the community about it. I remember when I used to be on the Archives council that I always used to raise the question about how we were going to sell the idea to the people about retaining the information. That is why I very much support the education program and I hope it is in some of the popular press, and not the more exclusive press, because that is where the battle is going to come. Maybe if someone could talk to a few talkback radio commentators that might also help, because people will start running a scare campaign out there in the community, talking about ‘government’ and raising the usual questions we have all heard so many times. And we will get those letters coming into the office that talk about conspiracy theories, that link the United Nations in and ask if we are going to send it to the United Nations or how we are going to use this information. We have to answer these questions and we have to say to people how important it is.

A division having been called in the House of Representatives—

Sitting suspended from 11.33 a.m. to 12.01 p.m.

Mr DEPUTY SPEAKER (Mr Quick)—I will call on the honourable member for Throsby to resume his remarks.

Mr Leo McLeay—Mr Deputy Speaker, I ask that the bill be dealt with in the House.

Mr Andrews—Mr Deputy Speaker, could I ask the Chief Opposition Whip to elucidate on the reason for that?

Mr Leo McLeay—I am very happy to advise the Main Committee why. We had a shadow minister who was going to deal with some of these matters up here and the government, without any consultation, gagged the debate in the House on the customs bill. That means that our shadow minister cannot deal with the matters that he was going to be dealing with up here. So if the government is not willing to consult and continue with the program that they were going to do, then we have just got to make different arrangements for ourselves as well. I am happy to allow the member for Throsby to complete his speech and then I will seek the call to do this.

Mr DEPUTY SPEAKER—Okay. I call the honourable member for Throsby to resume his remarks.

Mr HOLLIS—Because of the interruptions and time constraints, I was concluding my remarks. So, in conclusion, I will note that the bill only relates to information from the 2001 census and not to all future censuses. Given the importance of a high quality census, the government believes the decision on future censuses is best made in the light of the experience of 2001. I agree with that very much. I think it will prove to be a success, especially if we can keep all the scaremongering campaigns away, and at that time I am sure there will be more legislation making sure that the census information that is collected at taxpayers’ expense is retained.

Motion (by Mr Leo McLeay) proposed:
That further proceedings on the bill be conducted in the House.

Mr DEPUTY SPEAKER—On the motion of the honourable member for Watson, the matter is unresolved and has to go back to the main chamber for resolution.

Mr Andrews—I seek your indulgence, Mr Deputy Speaker.

Mr Leo McLeay—On a point of order, Mr Deputy Speaker, the motion should be put forthwith.
Mr DEPUTY SPEAKER—The question is that the matter be referred back to the main chamber. It is my understanding that there will be no further debate on the matter, and we will now move to the adjournment debate.

Question proposed:
That the Main Committee do now adjourn.

ADJOURNMENT

Second Sydney Airport

Mr LEO McLEY (Watson) (12.03 p.m.)—Today I would like to say a few words on a second airport for Sydney. We have been waiting for years for a decision to be made about a second airport for Sydney. Last week it was reported to be actually on the agenda for a cabinet meeting. But, once again, the making of a decision has proved to be too difficult for the government. The Deputy Prime Minister, who is also responsible for transport, has been reported as saying that a preliminary—whatever that is supposed to mean—decision will be made within weeks, but how many weeks? He has emphasised that the number of options within options are endless—an exaggeration, surely. What he really means is that there are so many politicians with a vested interest in the matter of the proposed location of the second airport that it seems impossible to have a proper objective discussion about the matter and therefore it is impossible to reach a decision.

Last year when I spoke about this issue in the Main Committee, the excuse for not reaching a decision was said to be the forthcoming New South Wales election. The gutless government was loath to make a decision in case the decision adversely affected the chances of its candidates in the New South Wales election. It may as well have made a decision and got it over with because, who knows, their candidates may have even done better in the election if the government had bitten the bullet. Let us face it, many people are generally sick and tired of the indecision and procrastination about the question of Sydney’s second airport. It is obvious to most people where the best location for the airport is, but the longer the decision is put off the more difficult it is to make, and more and more obstacles are put in the way of the decision making process.

Since the proposal for the location of the second airport at Badgerys Creek was given a favourable environmental impact statement last June, there has been no excuse for the Howard government not to make a decision. Pressure on Kingsford Smith airport will only increase in the next few years. It seems that a crisis point will have to be reached before the government will act, because those currently in government are hoping, perhaps, that they will be out of the government by then and thus be able to avoid making a decision. That is an interesting thought.

Recently we have seen the issue raised of using Bankstown airport for regional traffic, an option promoted by the Sydney Airports Corporation, a government instrumentality. Obviously, this is an industry out of control, for we have also seen the Deputy Prime Minister, who is the minister for transport, criticising the corporation for its promotion of this option. It is a sorry state of affairs when the minister responsible for transport and regional services has to attack a body responsible for a transport service. It does not say much for the transport industry when you have key players at cross-purposes with each other. No wonder there is confusion and obfuscation.

I want to re-emphasise that the longer it goes on, the worse it gets. It is not going to become easier to make the decision. Experience over the years has shown that delaying the decision over the site of a second airport has only made that decision harder to take, rather than easier.
It is almost as if the government were hoping a magic solution would appear—a floating runway, perhaps, a few miles off the coast near La Perouse? I seem to have heard a certain person, now a minister, floating this proposition. She hoped, I guess, that the airport would float out of her electorate and off the coast of New South Wales, and that is about as bizarre as the government’s proposals are. There is no magic solution. Sooner or later the cabinet and the government are going to have to bite the bullet. They are going to have to make a decision on where Sydney will have its second airport. We have already had an EIS; it is time a decision was made.

**Management of Business**

Mr ANDREWS (Menzies) (12.06 p.m.)—I take the opportunity in this adjournment debate to make some comment on the proceedings and the remarks made by the member for Watson in closing off the debate earlier. The member for Watson, on the debate on the previous bill before the committee, which the member for Throsby had been speaking on, namely, the Census Information Legislation Amendment Bill 2000, sought to return the matter to the main chamber. He is entitled to do that, but the basis upon which matters are generally returned to the main chamber is that there is some degree of controversy or some degree of difference between the parties over the legislation. It ought to be pointed out for the record, Mr Deputy Speaker, that that is not the case in this situation. This is a matter which arose out of a unanimous, bipartisan report of a parliamentary committee of this House, which then—

Mr Leo McLeay—Mr Deputy Speaker, I wish to raise a point of order. The Main Committee has just resolved this matter, and it is probably quite improper for the member to reflect upon the decision of the Main Committee. If he wants to have a debate on where this legislation goes, he can do it in the House.

Mr DEPUTY SPEAKER (Mr Nehl)—I do not believe the member for Menzies is reflecting on the Committee. There is no point of order.

Mr ANDREWS—This is an adjournment debate, Mr Speaker. I am certainly not reflecting on the Committee, and I understand that under the standing orders the decision that was taken by the Committee and by the previous occupant of the chair was the appropriate decision and the only one that in the circumstances could be taken.

The point I am making, though, is that the reason why matters go back from this place to the House of Representatives is that they are controversial, that there is a difference of opinion between the parties. That is why they should be not in this place, where non-controversial legislation is debated. The nature of the matter which was before the Main Committee—I am not addressing the substance of the legislation—was entirely non-controversial. As I said, this is a bill which arose out of a parliamentary report which had the unanimous support of members of the Labor Party as well as the National Party and the Liberal Party. It is a matter here because, as the member for Throsby himself said in his remarks to this chamber, it had the support of the opposition, of the Labor Party and, therefore, by definition, expressly, it is not a matter on which there is controversy. Yet, for what can only be regarded as a stunt, the member for Watson is able to come in here and then send the matter back. Whenever it comes up again, it will no doubt be debated according to what the member for Throsby said and go through as something which is supported by both sides of parliament. It ought to be put on the record, therefore, Mr Deputy Speaker—

Mr DEPUTY SPEAKER—The honourable member for Menzies will resume his seat. I call the honourable member for Watson on a further point of order.
Mr Leo McLeay—I would like to ask the member for Menzies to withdraw the word ‘stunt’. It was not. They stopped the shadow minister from speaking up here, and if that is not a breach of the procedures I do not know what is.

Mr DEPUTY SPEAKER—I thank the honourable member for Watson. I do not believe that the word ‘stunt’ is unparliamentary.

Mr ANDREWS—Thank you, Mr Deputy Speaker.

Mr Leo McLeay interjecting—

Mr DEPUTY SPEAKER—As the honourable member for Watson knows full well, the decision as to whether something is unparliamentary rests with the occupant of the chair. Any member can request that something be deemed unparliamentary but they cannot demand that it be withdrawn; that decision rests with the chair, and on this occasion I do not believe that ‘stunt’ is unparliamentary.

Mr Leo McLeay—Mr Deputy Speaker, I have been reflected on by the member for Menzies and I find what he said offensive. I am asking you as the chair to ask him to withdraw. The normal procedure is that the chair accepts it if a member claims that it is offensive, and asks for the matter to be withdrawn. I have seen you do that frequently in the House, Mr Deputy Speaker, and I ask you to give me the same protection here that I have seen you give other people in the House. I find what he said offensive. He has implied that I came up here to create a stunt. I came up here and explained why we were asking for the matter to be sent to the House and I would like his statement withdrawn.

Mr DEPUTY SPEAKER—There is no need to debate the matter. The honourable member for Watson will resume his seat. The honourable member for Menzies, I am not requesting you or demanding, but if you feel it in your heart to assist the work of the committee by withdrawing, please do so.

Mr ANDREWS—With such good heartedness, Mr Deputy Speaker, and knowing the sensitivity of the member for Watson—

Mr DEPUTY SPEAKER—No, just withdraw it.

Mr ANDREWS—I will withdraw. May I say, though, just to make a final point, that we were notified, and accepted, that the shadow minister—who the member for Watson said did not get an opportunity to speak—had made other arrangements and the member for Throsby spoke in his place. So it is just a load of nonsense. This is just, in my view, typical of the way in which the member for Watson acts.

Minister for Health and Aged Care: Phil Noble and Associates

Mr TANNER (Melbourne) (12.11 p.m.)—I rise today to express concern about misuse of government funds for party political purposes. Of particular concern is the need for full and frank disclosure by the Minister for Health concerning his relationship with the international group, Phil Noble and Associates. This company, which is based in South Carolina in Washington, specialises in the use of the Internet for political fund raising and campaigning.

In 1997, the Department of Health and Aged Care issued a contract for $126,000 to an Australian company called Canberra Liaison Internet and New Technologies. The purpose of this consultancy was to provide ‘advice on the Internet for provision of department information’. It is understood that the company was established by the Canberra lobby group, Canberra Liaison, for the sole purpose of winning this contract and that they then subcontracted the task to Phil Noble and Associates. Canberra Liaison’s principal, Jon Gaul, is a long-term strategist for the Liberal Party and worked out of the Liberal Party headquarters throughout the 1996 election campaign. Jon Gaul has previously been a beneficiary of government
funded political largesse, receiving a substantial payment for compiling a secret report to assist Peter Reith in his assault on waterfront workers. The Phil Noble and Associates web site makes it clear that the group’s main activity is providing Internet tools and services for political and public affairs professionals. They have no specified health experience and the major clients listed are political parties.

The firm’s founder, Phil Noble Jr was recently given a special award as the international political consultant of the year by the Australian Association of Political Consultants. This group had nothing to offer the Australian Health Department and it appears that no other health organisation in the world has seen them as the relevant expert body. The fate of their work for the health department is very unclear. The project was meant to last three or four months but no report was produced and no major changes were made to the health department’s own web site. A proposal for a new web site, called the ‘Health Insite’, has spluttered along for the past two years.

The original prototype Health Insite had photos of the minister on each page and connections to his personal web site. It was scrapped after it apparently tested very badly with the initial users. A new design is now being trialed, but the minister must explain why this project is still in the prototype stage when he has promised on several occasions to open a new reliable service providing authoritative health information to the public.

It came as something of a shock when I found that this very same group had also advised the minister in the design of his personal web site which was actually put together in Melbourne. It is not clear whether the health minister paid for the advice from Phil Noble and Associates for development of his personal web site but, whether he was paid or not, it is a serious conflict of interest for a minister to personally obtain services from a company which his department is employing at the same time.

I note also that the minister’s web site was named by Phil Noble’s politics online web site as one of the top 10 international political sites. The minister was recently quoted in the Australian on 28 October last year boasting of the success he had had in using the site to communicate with his constituents in the last election, emphasising its value to him in the last 48 hours to change the views of young voters.

Since these matters started to be commented on in the media, I note that the minister has added a disclaimer to his web site which states:

This site was paid for by a lot of people who support Michael Wooldridge, no taxpayers’ funds were involved.

These facts leave a number of serious questions that the minister must answer. What is the relationship between the minister and either Mr Phil Noble or Mr Jon Gaul? What were the circumstances leading up to the issue of a contract by the health department in 1997 to Canberra Liaison Internet and New Technologies for $126,000? What work was completed for the health department by this contract and what service to the Australian public was provided as a result? Who funded the web site that the minister established in 1997 and were these funds declared to the Australian Electoral Commission? Did any of the beneficiaries of the health department contract donate services to the minister for personal political campaigning? I hope that the minister is in a position to make a personal explanation of these matters.

Minister for Aged Care
Nursing Homes: Redcliffe Peninsula

Ms GAMBARO (Petrie) (12.16 p.m.)—I would like to speak today about a matter of great concern: the treatment the Minister for Aged Care has been receiving over the last few weeks from the opposition. I think it has been absolutely outrageous. I looked back over Hansard to
see whether similar cases had occurred and also whether, when a nursing home had closed under the previous administration, this amount of media frenzy had occurred. Her treatment by the media has been absolutely sensational, outrageous and, to say the least, despicable.

I want to recount today for the benefit of the House a particular incident of great success in my electorate. Last year, two proprietors of a nursing home on the Redcliffe Peninsula were sentenced to jail for four years and three years respectively for fraud against the Commonwealth. Essentially they were being provided with funding from the Commonwealth to assist with the running of their nursing home, but the benefits of the funding were not filtering down to the residents, which is absolutely outrageous. Residents were receiving substandard care. The owners of the nursing home were ghosting. A number of family members were on the books as employees of the home when, in fact, they lived interstate—in Melbourne in this case—and could not possibly have rolled up for work every day. Nevertheless, they were able to defraud the Commonwealth.

It took a long time to bring this matter to justice. I inherited this case from the previous minister who was representing the seat of Petrie and it was amazing that this had been going on for many years. This government prosecuted the two nursing home directors and they will serve time in prison. There were some outrageous things occurring during this time; they were absolutely frightful. That nursing home and the homes on the peninsula caused me a great deal of grief. I received a report from one agency after they had visited that soiled bed linen was being washed with tea towels and other items from the kitchen and that inadequate food was being given to the residents. Clearly the nursing proprietors were penny pinching at the lowest possible level. I am very pleased to say that the conditions in that facility have been rectified.

One of the things that struck me in all of this was the high level of support that the nursing home directors received. While this was all going on, I had representations from some well-known members of the Redcliffe community vouching for the good character of those people. The residents’ families came to see me and said how wonderfully well cared for their relatives were in the nursing home. But in the midst of all this were the conflicting reports about the home. It is not always a black and white case.

One of the things I want to emphasise is that, when we took government, there were 300 facilities that could not be certified under the previous government—they had dropped to a standard where they were incapable of being certified—and now there are only 53. Out of the 53 that are still questionable, 20 are run by the state government and are mainly in Victoria, I am very sad to say. In Queensland we do have a few facilities that are still undergoing checks and we are trying to bring them up to accreditation standard.

Accreditation is the most positive step in all of this. There are some nursing home proprietors and nursing staff that are not exactly enthused about accreditation, but most of them do agree that in the end it will provide a quality of care to those patients. It is important to note that 1,500 visits have occurred by the resident classification scale monitor and, in each of those cases, care plans were examined. Some 14,000 care plans were checked; 350 site visits have occurred for accreditation; and 515 homes are ready to go for accreditation. Providing the best aged care service to our elderly must coincide with certification, site visits and spot checks. We are happy to say that seven spot checks have occurred. Only when you have such an integrated policy and system of accreditation can older Australians be assured of quality of care at a standard that they deserve. (Time expired)

**Banking: Services and Fees**

Ms JANN McFARLANE (Stirling) (12.21 p.m.)—I want to bring to the attention of the House an issue that I feel passionately about; that is, services provided by our banks. Since
December last year I have been collecting signatures for a petition that I intend to table in the House on the issue of banks and their eroding service levels—service levels that continue to decline as bank profits increase. My petition contains the following text:

The petition of the electors of Stirling points out to the House our unhappiness with the continued increases in fees and charges by the banking sector, at a time when banks are making record profits. We urge the House to recognise that banks do have an obligation to be accessible and to provide a service to the community.

We would be hard-pressed to find a major bank in Australia that provides both accessibility and service to the community. Is this bank bashing? No, it is just a sad indication of the reality faced by hundreds of thousands of Australians whose everyday lives are affected by bank services, bank closures and service degradation. I will use an example from my electorate to highlight this growing malaise. In last week’s Stirling Times community newspaper, I noted the headline on page 5—‘Which local branch can they count on?’ This story revealed that Tuart Hill residents were angry about the closure of a local Challenge Bank branch. The residents of Tuart Hill have every right to be angry. Their Challenge Bank branch is to close in April. It is the second bank to close in the area in the past two years and the second Challenge Bank to close in my electorate of Stirling in the last six months. The story went on to quote the Challenge Bank’s spokesperson, Melissa Reynolds, who justified the closure with an amalgamation argument and then went on to say:

Our experiences show there hasn’t been a lot of (customer) run-off ... Many customers have cottoned on to electronic banking because they don’t have to wait in a queue.

I get disheartened when customers leaving a bank are described as ‘run-off’. Where has the human side of banking gone? The answer is simple: with the thousands of staff who have been retrenched over the past five years in order to cut costs. I find it insulting that, instead of objectively examining the needs of the community, the banking sector wants to educate consumers to operate on the bank’s terms. It is true that some of the electronic services offered by banks are good as they provide convenience for busy people who do not have the time to get to their local bank branch. I am not a Luddite. I use some of the electronic banking services myself. However, I am fit and able and I also have a car. Yet again, institutions in our society are discriminating against the less fortunate and the less able. Banks are charging a higher fee to go into the bank. Long bank queues, staff reductions and the closure of local branches are all symptoms of the changing banking sector—a sector that now focuses on profits and the return to shareholders rather than quality of service.

I find it obscene that local pensioners in Tuart Hill will now have to travel across two suburbs to find their nearest Challenge Bank branch and that these pensioners who make the trip to the branch are being charged a higher fee to do their banking over the counter than other customers who use electronic banking. These are the people that can least afford it. But not only pensioners are hit. A local businesswoman, Shirley Sardelic, who owns the Tuart Hill mini-mart is also affected. Small business people who used to get their change from the local banks will now have to travel further or keep more money at home or on the premises. This then increases the risk of armed robbery and break-ins.

What is the answer? Since the deregulation of the banking sector—deregulation that was designed to increase competition in order to make banks provide better service and lower fees—the opposite has happened. Bank service has decreased and bank fees have increased. People are really hurting. As a community worker I saw the effects of high bank fees on low income earners, and I continue to see them as a member of parliament. The reality is that pensioners and low income earners bear the brunt of fees as they have small balances and make more transactions. Therefore, banks’ social obligations need to be made clear by government.
As a part of my bank fee-bank closure campaign I will be holding a forum for Tuart Hill residents on Tuesday 21 March. This forum will allow local residents to provide input to the ALP social policy and community development caucus committee on the banking issue. The government needs to take a leading role in ensuring that banks live up to their social obligations and give the community a fair go. I will be inviting all residents of Tuart Hill to this forum. To make good policy we need to be in touch with the people that government policy affects—our community.

Kings Cross, Sydney

Mr ANDREW THOMSON (Wentworth) (12.26 p.m.)—I ask colleagues in this chamber: what is the worst place in Australia? I can tell you what it is. It is Sydney’s Kings Cross which sits on the border of my electorate. Traditionally it is supposed to be a place for a bit of fun, a bit of amusement, where even the tourists go to have a look. These days I can tell you it is getting worse. It is just full of pimps and pushers and crims, killers, junkies, perverts, derros, standover men, whores, hoods and gangsters. About every evil element a society can produce is wandering around there like a whole lot of wild animals. You need the police less than the RSPCA these days down there. But the fact is that it is getting worse and drug use is beginning to spread out of that area.

Just one stop up the railway line, at Bondi Junction in my electorate, we are now seeing a lot more drug use, with a lot more needles, syringes and stuff left in the little dark corners where people are shooting up, and the state government is doing absolutely nothing about it. They say the problems are bad out at Cabramatta and now they are spreading to the neighbouring suburb of Canley Vale—they have had 40 shootings this year, I think—while the Police Commissioner is posing for a portrait for the Archibald Prize. And the same thing is likely to happen in Bondi Junction. The violence is of a fairly low level around Kings Cross but it is time we decided to shut it down, to move all these disgusting places out to a particular industrial place, say, on the perimeter of the airport where the planes fly over and people can pursue their evil ways out there.

It is a disgrace, a national embarrassment, especially when we are expecting large numbers of people to visit Sydney to see the Olympic Games. But even worse than that, as one of my colleagues said this morning, it is the sort of thing that desensitises young people. Everyone sees it happening gradually and nothing is done. They think that maybe it is not too bad; they will just permit it; they will tolerate it. The word ‘tolerance’ is used these days but it is also much abused. You tolerate people’s failings that they cannot help and you may try and help them but you should not tolerate things that are just plainly evil, plainly bad. And when it starts to spread, then it is time to say enough is enough and something should be done about it.

So I am going to pursue this a little more vigorously from now on. I should have done something about it before but now that I see it right in my parish I reckon it is time that we put more pressure on those people who could do something about it, particularly the local government. They have the planning laws. The use of land is squarely in their bailiwick and there is really little we can do from a federal point of view. You might talk about placing conditions on grants to the local governments to try to force or encourage them to clean up these bad sorts of places. But if we are going to have a tough on drugs strategy and pursue the protection of Australia’s borders to try and interdict a lot of this smuggling of drugs into Australia, we can at least try to attack it from the other side—not the supply side as much as the demand side—by designating certain areas disaster areas from the point of view of drug use and in some way develop a policy, as our constitutional powers permit us, to do something about it.
The Port of Botany, they say, is where 80 per cent of the drugs come into Australia. They take those drugs out to Cabramatta and to all the pimps, whores and pushers in Kings Cross. We ought to put them out near the airport closer to the docks where you could do something more about stopping it happening. It is a disgrace, a national embarrassment, and we should put more pressure on that state’s Labor government to stop it.

Management of Business

Mr SAWFORD (Port Adelaide) (12.29 p.m.)—In view of what occurred in this chamber this morning between the member for Menzies and the Chief Opposition Whip I would like to make a few points. Firstly, it was earlier agreed between the acting government whip, the member for Indi, and myself that there would be a change in the speaking order to accommodate shadow minister Thomson who was speaking in the main chamber. We do this for shadow ministers, ministers and members all the time.

Breaking that agreement, without notice, without warning, is not the behaviour for us to be able to manage within this chamber. I realise it may have been—I was not here at the particular time—an unintended communication mistake. Nevertheless, a simple courtesy between the acting government whip at the time and the acting opposition whip could have cleared up that matter without any disagreement whatsoever. I hope that in future we will go back to having managed changes. If changes are demanded by ministers we accommodate those without any problem—and so we should. To expect that a shadow minister cannot have his needs accommodated in this chamber is unfortunate and, hopefully, it will not happen again.

Aspley Rotary Club
Kedron RSL

Ms GAMBARO (Petrie) (12.31 p.m.)—In the very short time that I have available to me I would like to congratulate the Aspley Rotary Club for a fantastic ceremony on Sunday where their Volunteers Abroad program, which was launched by the former parliamentary secretary Kathy Sullivan, was able to be implemented. A number of certificates were given to the members of the Aspley Rotary Club who spent some time overseas and who have contributed to the literacy programs and also to building projects in the Solomon Islands. I was very pleased to be there to celebrate the occasion with them and to present those particular certificates.

I would also like to mention the RSL in Kedron and the fine work that they are doing to provide community care packages for older residents in the Chermside area. I was able to celebrate the new graduation class that went through their first program where they go into older residents’ homes and provide contact for them and assist them with shopping and other duties. There are some fantastic individuals in the electorate of Petrie who do provide a wonderful opportunity for citizens out there who are less fortunate, who are not visited by regular groups such as Meals on Wheels and who have absolutely no outside contact. These people from the RSL are doing a fine job and should be commended.

Main Committee adjourned at 12.33 p.m.
The following answers to questions were circulated:

**International Year for the Culture of Peace**  
(Question No. 1148)

**Mr Martin Ferguson** asked the Minister for Foreign Affairs, upon notice, on 15 February 2000:

Did UN General Assembly Resolution (a) 52/15 of 20 November 1997 proclaim the year 2000 as the International Year for the Culture of Peace and (b) 53/25 of 10 November 1998 proclaim the period 2000-2010 as the International Decade for a Culture of Peace and Non-Violence for the Children of the World; if so, what action is the Government taking to promote and develop a program within Australia and the region in accordance with the resolutions.

**Mr Downer**—The answer to the honourable member’s question is as follows:

(a) Yes, and (b) Yes.


For the International Year for the Culture of Peace (IYCP), UNESCO has been designated as the UN focal point for the co-ordination of IYCP activities, and is consulting Member States, NGOs and other international organisations on possible activities for the IYCP.

Although there is no special funding available to finance IYCP activities, the Government is encouraging NGOs and local and community-based organisations to undertake activities under the auspices of the IYCP.

In order to raise awareness of the IYCP, I am writing to Commonwealth Ministers, whose portfolio responsibilities relate to aspects of the IYCP, and to State Premiers, to seek their support in promoting the IYCP and to encourage them to identify relevant projects, events and activities that could be badged and promoted as activities under the IYCP.

The Australian National Commission for UNESCO, whose Secretariat is in my Department, has sought funding support (USD35,000) from UNESCO's Participation Program for an Asia Pacific regional conference under the auspices of the IYCP which will be organised jointly by the Australian Academy of the Humanities (AAH) and the Academy of the Social Sciences in Australia (ASSA). It will examine the theme: "Intellectual Foundations for a Culture of Peace".

Details of other Australian initiatives and projects are available on a number of Australian websites, including that of the Conflict Resolution Network, based in Sydney, the UNAA Tasmanian IYCP website, the website of the UNESCO Associated Schools Project in Australia, through the Victorian Department of Education, and an education network website and activities organised through the South Australian Department of Education.

Given the International Decade for a Culture of Peace and Non-Violence for the Children of the World, 2001-2010, and the widespread and increasing involvement of children in armed conflicts currently taking place around the world, the Australian Government considers it a priority to support international efforts aimed at improving the protection available to children affected by armed conflict. In particular, Australia has been actively involved in the United Nations working group developing the Optional Protocol to the Convention on the Rights of the Child (the Convention) on the Involvement of Children in Armed Conflict. Australia supported the adoption of the text of the Protocol which was concluded during a negotiating session held from 10 to 21 January 2000.

The Protocol raises the minimum age for recruitment of persons into armed forces and for their participation in hostilities from 15 years (as it is currently in the Convention and international humanitarian law) to 18 years for participation in hostilities and for compulsory recruitment, and at least 16 years for voluntary recruitment. In addition, the Protocol obliges Parties to maintain safeguards to ensure that when recruiting persons under the age of 18, such persons are fully informed of the duties involved in military service, that reliable proof of age is provided, and that such recruitment is genuinely voluntary and is done with the informed consent of the person's parents or legal guardians. The Protocol also includes provision for international cooperation and assistance in its implementation.

The adoption of a new instrument will benefit children by establishing new legal standards against which international behaviour can be measured. However, without other practical measures to protect children from involvement in armed conflict this will not be sufficient. The Australian Government considers it a priority to continue to support international efforts aimed at improving the protection available to children affected by armed conflict.

**Goods and Services Tax: Aboriginal and Torres Strait Islander Commission**  
(Question No. 1174)

**Mr Melham** asked the Minister representing the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 16 February 2000:

1. What will be the total cost to the Aboriginal and Torres Strait Islander Commission (ATSIC) for compliance with the Government’s Goods and Services Tax.

2. What sum has been, or will be, spent in each budget year on GST compliance costs by ATSIC.

3. From which programs will the cost of this GST compliance be found.

4. Will the Government be providing extra funding to ATSIC to cover these GST compliance costs.

5. Has ATSIC estimated the cost to ATSIC funded Indigenous corporations or other entities of compliance with the GST; if so, what is the total of this compliance cost for Indigenous corporations and entities, and what is the average cost for each corporation or entity.
(6) Has ATSIC estimated the cost to any non-ATSIC funded Indigenous corporations, bodies or entities of compliance with the GST; if so, what are the names of these organisations and what are their individual estimated GST compliance costs.

(7) Has ATSIC estimated the full impact of the GST, including compliance costs, in its areas of responsibility.

Mr Ruddock—The Minister for Aboriginal and Torres Strait Islander Affairs has provided the following information to the honourable member’s question:

(1) The Commission estimates it will spend approximately $1m in 1999–2000 to implement the new tax system. This estimate is inclusive of those items that could be considered as ‘GST compliance costs’.

(2) The Commission as at 18 February 2000 has spent $98,736 in 1999–2000 of the estimated $1m required to implement the new tax system. No estimate on the ongoing implementation costs of the new tax system is available.

(3) The Commission will meet these costs from its existing budget as part of its operating costs.

(4) No additional funds were allocated in the 1999-2000 budget for GST implementation.

(5) ATSIC has recently received a report from a consultant who reviewed the implications of GST and FBT on ATSIC as a funding body. The report suggests an average cost per ATSIC funded organisation for the initial set up and training for GST to be in the order of $10,000. The figure will vary from organisation to organisation depending on the form of current accounting systems and the complexity of the organisation. ATSIC in 1998-99 funded in excess of 1100 organisations, which indicates an initial compliance cost of more than $11m. ATSIC has no current estimate on the on-going compliance costs.

(6) No.

(7) No.