CONTENTS

TUESDAY, 14 MARCH

CHAMBER HANSARD
Ministerial Arrangements
Questions Without Notice
  Mandatory Sentencing ................................................................. 14591
  Premier of Tasmania: Meeting ..................................................... 14591
  Goods and Services Tax: Caravan Parks ....................................... 14591
  Telstra: Guarantees ....................................................................... 14593
  Nursing Homes: Riverside ............................................................. 14594
  Telstra: Job Cuts ........................................................................... 14595
  Goods and Services Tax: Compensation Provisions ... 14596
  Telstra: Timed Local Calls ............................................................ 14598
  Telstra: Services ........................................................................... 14598
  Internet: Services Providers .......................................................... 14599
  Rockhampton Airport: Upgrade .................................................... 14599
  Nursing Homes: Riverside ............................................................. 14600
  Literacy: National Standards ......................................................... 14600
  Nursing Homes: Riverside ............................................................. 14601
  Immigration: Policy ....................................................................... 14601
  Nursing Homes: Riverside ............................................................. 14602
  Nuclear Disarmament .................................................................... 14603
  Nursing Homes: Riverside ............................................................. 14604
  Health: Depression ........................................................................ 14604
Questions to Mr Speaker
  Native Title and the Aboriginal and Torres Strait Islander Land Fund Committee ............................................. 14605
Auditor-General’s Reports
  Report No. 33 of 1999-2000 ............................................................ 14605
Personal Explanations ...................................................................... 14605
Papers .................................................................................................. 14605
Ministerial Statements
  Trade Mission to the Gulf ............................................................... 14606
Matters of Public Importance
  Goods and Services Tax: Caravan Parks ....................................... 14610
Matters Referred to Main Committee ............................................. 14620
Committees
  Selection Committee—
    Report ....................................................................................... 14620
Bills Returned from the Senate ....................................................... 14622
Migration Legislation Amendment Bill (No. 2) 1999 [2000]—
  First Reading ................................................................................. 14622
  Second Reading ............................................................................. 14622
Taxation Laws Amendment Bill (No. 5) 2000—
CONTENTS—continued

Second Reading ........................................................................................... 14624
Appropriation Bill (No. 3) 1999-2000—
  Main Committee Report .............................................................................. 14639
  Third Reading ............................................................................................ 14642
Appropriation Bill (No. 4) 1999-2000—
  Main Committee Report .............................................................................. 14642
  Third Reading ............................................................................................ 14642
Corporations Law Amendment (Employee Entitlements) Bill 2000—
  Second Reading ......................................................................................... 14642
Adjournment
  Goods and Services Tax: Caravan Parks ..................................................... 14671
  Australian Women’s History Search ............................................................ 14672
  Rural and Regional Australia: Infrastructure Report .................................... 14673
  Linda Industries ........................................................................................... 14674
  Electoral System: Liberal Proposal ............................................................ 14675
  Forde Electorate: Killarney Glen ................................................................. 14675
  Goods and Services Tax: Charitable Institutions and Non-Profit Organisations ......................................................................................... 14677

MAIN COMMITTEE HANSDARD
Appropriation Bill (No. 3) 1999-2000—
  Appropriation Bill (No. 4) 1999-2000—
  Second Reading ......................................................................................... 14678
Appropriation Bill (No. 4) 1999-2000—
  Second Reading ......................................................................................... 14697
Questions On Notice
  (Question No. 1053)—Medicare: Provider Numbers .................................... 14698
  (Question No. 1061)—Goods and Services Tax: Livestock ......................... 14698
  (Question No. 1117)—Visas: Overseas Performers .................................... 14698
Mr SPEAKER (Mr Neil Andrew) took the chair at 2.00 p.m., and read prayers.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.01 p.m.)—I inform the House that the Minister for Health and Aged Care has been unavoidably delayed due to an aircraft delay. The minister expects to arrive shortly. You can either hold your questions or you can direct them to me.

QUESTIONS WITHOUT NOTICE

Mandatory Sentencing

Mr BEAZLEY (2.01 p.m.)—My question is to the Prime Minister. Prime Minister, will you ensure that the House will have adequate time to debate and vote upon the Human Rights (Mandatory Sentencing of Juvenile Offenders) Bill?

Mr HOWARD—I do not know what bill the Leader of the Opposition is referring to. I am not aware of one that is on the Notice Paper.

Premier of Tasmania: Meeting

Mrs GALLUS (2.02 p.m.)—My question is addressed to the Prime Minister. Would the Prime Minister confirm that he is meeting with Premier Bacon of Tasmania? Will the Prime Minister inform the House of the issues foreshadowed by Premier Bacon?

Mr HOWARD—I thank the member for Hindmarsh for the question. Several weeks ago I received a letter from the Premier of Tasmania which I can only describe as correctly falling within the sort of correspondence you would expect a premier interested in pursuing his state’s future would write to a Prime Minister. It was a letter seeking a meeting with me to discuss energy matters, including Bass Link, and I readily agreed to that meeting. But yesterday there appeared on the front pages of the two major newspapers in Tasmania a declaration from the Premier of Tasmania that he was coming to Canberra to demand job guarantees from the Prime Minister. This comes of course from a Labor Premier of Tasmania who watched unemployment in that state go to 12.1 per cent under the stewardship of the current Leader of the Opposition.

What the Premier of Tasmania has sought to do with the meeting I am having with him tomorrow is not to engage in a serious discussion with me about the future interests of the people of Tasmania, but to endeavour to turn tomorrow’s meeting into a media sideshow and to use it as an opportunity to score cheap political points at the expense of the Commonwealth government. It ought to be possible for a Labor Premier of Tasmania to have a serious and constructive discussion with a Liberal Prime Minister of Australia without the sort of petty point-scoring nonsense that Mr Bacon has engaged in. I intend to honour the arrangement I made to meet Mr Bacon tomorrow, but I want to make it very clear to the Premier and, through this parliament, to the people of Tasmania that the people of Tasmania elected somebody to govern for all Tasmanians. They did not elect somebody to use his every waking hour when he deals with the national government to try to score political points off us. He even had the temerity to issue a press statement saying, ‘The Prime Minister must act on Telstra jobs threat.’ Everybody, including Mr Bacon, must know that no state in Australia got a better deal out of the first and second sales of Telstra than did the state of Tasmania. He ought to take that press statement along to the Premier of South Australia, the Premier of Western Australia, the Premier of New South Wales or the Premier of Queensland. I would say to Mr Bacon: ‘You ought to understand that you are Premier of the state of Tasmania. You have been elected to govern for everybody and you have a higher obligation than engaging in this sort of grubby point scoring against a political opponent.’

Goods and Services Tax: Caravan Parks

Mr ALBANESE (2.06 p.m.)—My question is addressed to the Prime Minister. Prime Minister, will you tell the permanent residents of caravan parks who are in Canberra today the truth: that there will be no change to the GST on caravan park site fees and that Ministers Anderson and Anthony and the member for Gilmore have been holding out false hope of a change in the government’s policy?
Mr HOWARD—May I first of all say that the Deputy Prime Minister, the Minister for Community Services, and the member for Gilmore are in every sense outstanding and impeccably honest representatives of the people they represent. I have visited the electorates of both the Minister for Community Services and the member for Gilmore—

Ms Hall interjecting—

Mr SPEAKER—The member for Shortland.

Mr HOWARD—I cannot help but remark that on both occasions I received a warm welcome. In relation to the caravan park issue—

Ms Hall interjecting—

Mr SPEAKER—The member for Shortland clearly does not wish to represent the electorate of Shortland, and she will be dealt with if she does not exercise more restraint.

Mr HOWARD—The member for Grayndler has asked me a question and I will answer that question. I observe, in the course of answering it, that he belongs to a party that wants to increase income tax for all caravan park occupants. He belongs to a political party that is falsely representing to the occupants of caravan parks around Australia that if you took away the option which now exists under the legislation, those caravan park occupants would be better off. The reality is that they would not be better off.

Those who sit opposite are the great deceivers on this issue. Those who sit opposite are miserably holding out to people the idea that they would be better off if they would follow the exhortations of the Australian Labor Party. They would not be. I say to those people who have come today: ‘Welcome to Canberra; you are always very welcome.’ I also say to them: ‘Don’t believe this mob opposite. They are going to jack up your income tax, and, if they have their way, they are going to impose upon you an arrangement that will not make you better off by one cent; in many cases you would be worse off.’ So the option remains: we will not be altering the legislation. I say one final thing to you: ‘If you want your income tax to go up, vote Labor.’

Mr SPEAKER—Before I recognise the member for Macquarie, I require the member for Shortland to excuse herself from the House under the provisions of standing order 304A.

The member for Shortland then withdrew from the chamber.

An incident having occurred in the gallery—

Mr SPEAKER—the House will come to order. I remind those in the gallery that those who wish to participate in debate are on the floor of the chamber. All other people will be excused from the gallery unless they remain silent.

Goods and Tax: Local Government

Mr BARTLETT (2.11 p.m.)—My question is addressed to the Treasurer. Treasurer, will you outline to the House the benefits to local government which will flow from the introduction of the GST?

Mr COSTELLO—I thank the honourable member for Macquarie for his question, and I am quite pleased to outline for him the benefits for local government of the introduction of the goods and services tax. The first thing that happens for local government is that they can claim back all embedded taxes on all of the services which they use. This means that, for local government, communication services will become about four per cent cheaper, repair services will become about six per cent cheaper, and business services will become about 2.5 per cent cheaper. For legal, ac-
counting, marketing and business management services, after they claim full input tax credit, their costs should fall by about 2.5 per cent. For local government, they charge no GST on water, sewerage or waste so they are able to deliver those services at a lower cost.

You do not have to take my word for the benefits to local government that come from the goods and services tax. I have here a letter telling about some of the benefits that arise from the introduction of the goods and services tax. This letter is written by the Labor Treasurer of New South Wales, Mr Egan. He wrote to Thomas George, MP, the member for Lismore, on 22 December 1999, explaining why the New South Wales government would not be sharing competition policy payments with local government. He said that local government were getting enormous benefit from competition policy, and then he said this:

In addition to the above gains, local government also stands to be a major beneficiary in funding arrangements following the introduction of the proposed goods and services tax.

I would like to table that letter from the New South Wales Treasurer, Mr Michael Egan, to Thomas George, MP, dated 22 December 1999.

I am also indebted to the member for Macquarie for giving me a copy of a letter that was sent to him. This is a letter which he received on 7 March 2000, and it says that the New South Wales government had no need to share competition policies with local government because ‘in addition to the above gains, local government also stands to be a major beneficiary in funding arrangements following the introduction of the proposed goods and services tax.’ This is a letter to the member for Macquarie from the Labor Minister for Regional Development, Hon. Harry Woods.

We remember Harry very well—he was a Labor member of the House of Representatives. We would like to send Harry a cheerio and thank him for his support of the goods and services tax. Can you imagine the poor old member for Macquarie? He would have been absolutely gobsmacked to get this letter from Harry extolling the virtues of the goods and services tax. The member for Macquarie probably walked into his electorate office on 7 March 2000 and asked his electorate secretary, ‘Any mail?’ and his electorate secretary said, ‘Oh, just another letter from the Labor Party on the benefits of the goods and services tax.’ Just another one in from Harry, to back up the one from Michael Egan. The Labor Treasurer of Queensland has written to me saying, ‘Please don’t extend exemptions on the goods and services tax; we need the revenue.’ Michael Egan has written to state National Party members saying, ‘Look at the benefits of the goods and services tax for local government.’ Harry Woods has started writing to federal Liberal members, telling them about the benefit of the goods and services tax. The only people who apparently cannot see it are the so-called Labor thinkers on the front bench of the federal opposition. A modern oxymoron: Labor thinker on the front bench of the Labor Party. They should take a leaf out of the book of their state colleagues—get on board, recognise the benefits and support the government.

**Telstra: Guarantees**

Mr STEPHEN SMITH (2.16 p.m.)—My question is directed to the Deputy Prime Minister and Minister for Transport and Regional Services. Deputy Prime Minister, do you recall your statement yesterday at question time:

... people were saying, ‘There aren’t enough people to fix the lines because they have all been pulled out of the depots.’ The point is that we have put in place the guarantees that mean Telstra cannot do that any more.

Minister, given that Telstra CEO, Dr Switkowski, says that the word ‘guarantee’ is not in his vocabulary, precisely what guarantees are you referring to? Exactly how do they prevent Telstra from pulling linesmen out of depots?

Mr ANDERSON—I thank the honourable member for his question. It gives me an opportunity to point to the fact that, although Labor never had a customer service guarantee or anything like it, we do. We put in place a customer service guarantee. It was part of the amendments to the 1997 Telecommunications Act, resulting from a commitment that we made in the 1996 election policy.
Mr Stephen Smith—Mr Speaker, I rise on a point of order. My question was not directed to the customer service guarantee but to the guarantee the minister asserted yesterday about preventing Telstra from pulling linesmen out of depots.

Mr SPEAKER—The reply given by the Deputy Prime Minister is entirely in order.

Mr ANDERSON—As I just said, and to repeat the point, it is now part of the Telecommunications Act. There are very real obligations upon Telstra, and real fines have been applied for failure to meet the standards required. The minimum standards that telephone companies must meet under the CSG have been developed by the Australian Communications Authority, following directions given by the Minister for Communications, Information Technology and the Arts. The standards include, for example, the times within which new services must be connected and faults rectified. They indicate that appointments must be made and kept. For example, for new standard telephone service connections that are close to available infrastructure with spare capacity, telephone companies have the following working time frames: five days for urban communities—more than 10,000 people; 10 days for major rural communities—2,500 to 10,000 people and so forth. What is more, the House might like to know that, from July this year, they will be significantly tightened. For example, there will be a new standard reducing the time—

Honourable members interjecting—

Mr ANDERSON—It is quite apparent that those opposite are not interested in the obligations that we put upon companies. They never did; we do. Companies are obliged under the law to meet them or to pay quite stiff penalties. I make the point that, from July this year, they will be significantly tightened. For example, from July this year, the time the telephone companies will have to supply new phone connections in rural and remote areas where there is infrastructure will be reduced from 40 to 15 days.

Nursing Homes: Riverside

Mrs MAY (2.20 p.m.)—My question is addressed to the Minister for Aged Care. Would the minister inform the House of the review audit report on Riverside Nursing Home, released by the Aged Care Standards and Accreditation Agency today? Minister, would you also inform the House of the first serious risk report released by the department today, as well as any statements made in regard to Riverside Nursing Home?

Mrs BRONWYN BISHOP—In light of the rather scandalous and outrageous behaviour of the opposition in this matter, where statements have been made by the spokesman for the opposition, who said on 28 February that full powers under the act to revoke the licence of the Riverside Nursing Home providers should be used by me. Yet, a week later, he said that moving people was not the solution. And then the member for Isaacs said that he was certainly not going to suggest for a minute that the residents would be better off in Riverside.

There is so much confusion surrounding the facts that I want to put them on the record today. Firstly, under the act, the accreditation standards agency is obliged to publish the review audit in accordance with the time frame. As I said yesterday, that is now on the web site. Secondly, there is a first risk report, where the opposition seems to be saying there is some sort of conspiracy theory going on. I intend to table both of these reports in the parliament here today. The risk report has been released pursuant to the power of the delegate of the secretary under the act.

I will begin by saying that the agency’s reports support entirely the decision of the secretary’s delegate to impose sanctions on 22 February and they form part of the material considered by the secretary’s delegate, together with the second risk report, which has already been released, when making a determination to revoke approved provider status and revoking the licences.

These reports provide evidence that the government and the department have acted properly and speedily in this issue while observing due process. This includes making agency reports available to the public concerning the risks at Riverside. All procedures followed were in accordance with legal advice and the time frame set out in the act and in the subordinate legislation. As far as the opposition were concerned, we were damned
Tuesday, 14 March 2000 REPRESENTATIVES 14595

if we did and damned if we didn’t. They said there was a cover-up relating to the reports. Yesterday in the House, the member for Jagajaga improperly suggested that I had misled the House about my referral of an agency report. She suggested that I had caused the department to write to the Australian Federal Police three days before I saw a report. In fact, I asked the department to contact the AFP after I saw the first serious risk report, which you will see when it is tabled in this House. The facts are that the review audit report of 24 February, which incorporated the first serious risk report, was referred to the AFP on Monday 6 March, as I reported to this place. It contains the information that concerned me in the first serious risk report.

I simply will not be verballed by the opposition. This is an opposition that was so concerned by the censure motion moved against me, moved by the Leader of the Opposition and by the Deputy Leader of the Opposition, that they could not even bother to vote on it. They forgot to vote. It was so important and they were so concerned about elderly Australians that they forgot to vote on their own motion moved by their leader and his deputy.

It is important that rogue providers, like the Riverside approved provider, are put into perspective. The vast majority of aged care providers are good providers and they provide good care. In an interview yesterday Professor Gary Andrews, the Director of the Centre for Ageing Studies at Flinders University, said:

... It’s a very big system. There are something over seventy thousand nursing home beds throughout Australia. And so it’s inevitable that some of those will not be provided at an adequate standard and that of course is why there are systems of inspection and accreditation and so on to ensure that as far as humanly is possible everybody in a nursing home bed receives at least a minimal standard of quality of care and hopefully better than that.

... ... ...

I think we’ve got pretty good care now, to be honest, but it can always be improved and this is the objective of the accreditation program, not only that it ensures there’s improvement overall through inspection and accreditation but that nursing homes themselves, their proprietors, their staff and indeed the residents see quality improvement, continuous improvement as an important aspect of providing those services.

The behaviour of the opposition in trying to say that I have concealed six deaths is despicable. The fact of the matter is that the first serious risk report relates to the deaths of three residents at Riverside and these were audited by the agency. Had they considered these deaths suspicious, they would have been obliged to refer them to the police or to the coroner, as indeed would the doctor or doctors signing the death certificates. I now wish to table the first serious risk report by the agency, dated 18 February 2000, which has now been released by the secretary’s delegate, the review audit report by the agency dated 24 February 2000, which has now been published by the agency and is on the agency’s web site, and a transcript of the comments by Professor Gary Andrews.

Mr McMullan—it’s pretty powerful stuff.

Mrs BRONWYN BISHOP—You bet it is.

Telstra: Job Cuts

Mr STEPHEN SMITH (2.27 p.m.)—My question is directed to the Minister for the Arts and the Centenary of Federation, representing the Minister for Communications, Information Technology and the Arts. Minister, are you aware of a Telstra management working document regarding the implementation of Telstra’s plans to cut 10,000 jobs? Is the minister aware that the guidance contained in this document encourages managers to give preference to employees on individual contracts ahead of award employees in the implementation of Telstra’s forced redundancies?

Mr McGAURAN—What the honourable member failed to add to his question is what the Labor Party did when it allowed 17,000 jobs to be cut from Telstra.

Mr Beazley—Mr Speaker, I rise on a point of order, and it goes to relevance. This is about a specific document—

Mr SPEAKER—The Leader of the Opposition will resume his seat. It is, as the Leader of the Opposition knows, difficult to determine relevance 12 seconds into an answer.

Mr Bevis interjecting—
Mr SPEAKER—The member for Brisbane clearly believes that no matter what statement is being made by the chair he has a right to interject. It is not good enough. It is, as I said, difficult to rule the minister out of order within a 12-second statement, but I am waiting to hear him make specific reference to the question asked.

Mr McGauran—Thank you, Mr Speaker. As I was saying, the Labor Party allowed 17,000 jobs to be lost from Telstra and, at the same time, had no regulatory framework in place which would maintain customer and consumer standards. Consequently, they come to this place with no credibility whatsoever. I was very interested in a comment made recently on ABC radio by Col Cooper, president of the communications division of the CEPU. He was talking about how there has been an improvement in standards by Telstra. I was also interested in a statement he made to the Senate Telstra inquiry, as reported in September 1996. He said:

On the figures that have been put to us—

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

Mr Beazley—I rise on a point of order, Mr Speaker, on relevance. The minister was asked a very simple question about whether he was aware of guidance contained in a document released today.

Mr SPEAKER—I am well aware of the question. The Leader of the Opposition will resume his seat and I will rule on relevance. I wrote down the question. I am aware of the question. It seemed inappropriate to interrupt the minister when he was about to quote—I knew not what; I thought the quote may well have been directly related to the question of awards and individual contracts—and so I did not intervene. I call the minister.

Mr McGauran—Thank you, Mr Speaker. I was trying to assist the House by putting the question in its context before coming to answer it with exact pertinence. May I finish the quote by Col Cooper on this issue of reduction in job levels at Telstra. He is quoted as telling the Senate:

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 these processes with new technology.

So to stress the point that has been made by the Prime Minister and Deputy Prime Minister in the last few days: there is not a direct correlation between levels of service and job levels at Telstra.

Mr Beazley—Mr Speaker, I raise a point of order on relevance. That is completely irrelevant to the question that was asked.

Mr SPEAKER—The Leader of the Opposition is talking over the chair, and the reason the Leader of the Opposition has not been recognised is that I had no opportunity to even call his name and to indicate that his microphone ought to be switched on. The minister had indicated that he was coming to the question, and that is why I was listening to him.

Mr McGauran—The opposition will attempt to confuse and muddy the waters on this issue of employment levels, but they clearly cannot do so convincingly. I am not aware of such a document. What I do know is that 88 per cent of Telstra’s employees, as part of their job placement program, have found other employment. A headline in the Australian today says: ‘Telstra layoffs “help” industry’. If there is some implication that the Telstra employees will be abandoned, that is simply incorrect.


Mr Pyne (2.32 p.m.)—My question is addressed to the Treasurer. Would the Treasurer inform the House how the government plans to compensate pensioners and others on fixed incomes for the one-off increase in prices resulting from the GST. Has he seen any alternative plans for compensation?

Mr Costello—I thank the honourable member for Sturt for his question. I can inform the House that the government has legislated to increase all social security and veterans’ pensions by four per cent from 1 July 2000. The four per cent increase means that the single rate of pension will be increased by $14.90 a fortnight and the combined married rate of pensions will increase by $24.80 a
fortnight. It was this side of politics that increased pensions and allowances. In addition to the increase in pensions and allowances on 1 July, the government will be increasing the pharmaceutical allowance and the mobility allowance by four per cent. The maximum rate of rent assistance will be increasing by seven per cent. There will be a 2½ per cent increase in the income and asset test free area, and age pensioners with personal income from savings and investments will receive a one-off, non-taxable aged persons savings bonus. The government will match dollar for dollar each dollar they have in income from savings and investments up to $1,000. In addition, of course, the government introduced a 30 per cent private health rebate, which has been of significant benefit to pensioners and self-funded retirees.

I am asked by the member for Sturt whether there are any alternative plans for compensation. Needless to say, the opposition, which now has a policy of keeping GST, has not put forward any proposals for compensation other than the prospect of lifting income tax rates. But there was an article putting a new proposal in the Financial Review today—

Mr Howard—Space economics.

Mr COSTELLO—along the lines of spatial economics, Prime Minister. It said that the way in which compensation should be done was that:

A Labor government should exempt shopping centres in public housing estates, depressed country towns and remote Aboriginal communities from the GST.

That proposal was put forward by the member for Werriwa who is described by the press as one of Labor’s thinkers. He began his article in today’s Financial Review saying:

The Federal Opposition has not had many happy headlines in recent weeks about our plan to roll-back the GST. Kevin Rudd, an habitual letter writer to this newspaper, obviously wasn’t too happy about the favourable comment given to one of my proposals in last week’s press.

Welcome to the modern ALP.

You will recall that spatial economics was described by the member for Griffith as ‘loopy’. He said this:

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

So we have the member for Werriwa who, according to the member for Griffith, is ‘loopy loo’ over spatial economics. We have got the member for Griffith who wants to follow OECD best practice. We have got the member for Lilley who is so opposed to the GST that he will repeal it any time before midnight on 30 June and then vote to keep it once the clock ticks over on 1 July. We have got the Deputy Leader of the Opposition who said on 19 February, ‘GST cannot be made fair under any circumstances. Labor believes the GST itself cannot be made fair,’ but he is committed to keeping it. And we have the Leader of the Opposition whose campaign against the GST was felled two weeks ago by a blank sheet of paper. That is when his campaign against the GST came to an end. The member for Werriwa said something which I really do believe is significant—and he is right. He said:

As expected, Rudd has no suggestions of his own to assist the poor. As ever, rhetoric is easy in politics. Change is hard.

That is what the member for Werriwa said: change is hard. The member for Werriwa knows precisely what this stunt is all about. This is a stunt by the Labor Party to try and pretend it is against change and to make the government do all the hard yards until such time as the Labor Party can fall into office and try and take advantage of it.

This is an opposition which will not do anything that is hard—a weak, populist leadership which pretends that you can go on with an indirect tax, based on a shrinking part of the economy. Is the Labor frontbench going to wander up to the Irish Taoiseach tonight and say to him, ‘You’re absolutely wrong with the value added tax, Taoiseach. You need a modern wholesale sales tax as thought up by the Australian Labor Party and practised in Botswana and Swaziland.’ Is that the speech it is going to be giving tonight? Does it go overseas and say to France, Germany, Britain, Japan and Singapore, ‘You’ve all got it wrong’? The Australian Labor Party wants to campaign on cheap populist rhetoric, and it has been belled by the member for
Werriwa who says, ‘Change is hard.’ Too right it is hard, and it is far too hard for the Leader or the Deputy Leader of the Opposition.

**Telstra: Timed Local Calls**

Mr GIBBONS (2.38 p.m.)—My question is directed to the Minister for the Arts and the Centenary of Federation, representing the Minister for Communications, Information Technology and the Arts. Can the minister inform the House how much Telstra has spent, or is spending, upgrading its network exchanges in each capital city with the technology to introduce timed local calls, and does the government support that expenditure?

Mr McGAURAN—I thank the honourable member for Bendigo for the opportunity to restate government policy. It is a requirement on telephone companies to continue to offer untimed local calls.

**Telstra: Services**

Mr ANDREW THOMSON (2.39 p.m.)—My question is addressed to the Minister for the Arts and the Centenary of Federation, representing the Minister for Communications, Information Technology and the Arts. Can the minister advise the House of the service standards required of Telstra by the government? Is the minister aware of any service guarantees for Telstra which were in place when the Howard government came to office in 1996?

Mr McGAURAN—I thank the honourable member for Wentworth for his question and his involvement and interest in this important, indeed crucial, area of public policy. The government moved very quickly, on coming to office in March 1996, to establish a regulatory framework that was missing, negligently, because of our predecessors’ inaction. We extended the universal service obligation to include a digital data obligation so that all Australians have access to email and the Internet. We established price controls requiring Telstra to reduce the price of its main services by 5 1/2 per cent in real terms each year and special restrictions on local access prices and prices faced by low spending customers. We established the Telecommunications Ombudsman Scheme which provides independent resolution of consumer complaints and service issues. In addition, we introduced the customer service guarantee, which has been explained today in eloquent fashion by the Deputy Prime Minister, which requires companies to pay customers financial compensation if they do not meet a set of standards regarding installation, repair, keeping of appointments and the like.

So we are holding the carriers, including Telstra, to these higher and new levels of service standards. Telstra is paying a price when it does not meet the government’s standards. For example, in the 1998-99 financial year, Telstra paid over $1 million in customer service guarantee compensation to customers. The average payment was $190 per customer. At the moment Telstra is averaging 3,000 payments per month and, over the last couple of months, over 17 per cent of the payments have exceeded $1,000 per customer. So there is a great deal of room for improvement which the government will require Telstra, as we do the other carriers, to uphold. If service quality does not improve substantially next year, the government’s new requirement for phone companies to pay customer service guarantee penalties to customers automatically means that the annual customer service guarantee payout is likely to be $40 million. Of course customers want their phone services repaired or installed on time, but, if that is not so, compensation is forced upon the carriers by this government—something that was sadly lacking before we came to office. There is an incentive, indeed penalties, for companies to perform to our standards.

Taking a couple of examples, a citizen in Kalgoorlie had a number of faults on his line. Due to mismanagement problems in Telstra, the fault was not fixed on time and he was paid over $100 under the government’s customer service guarantee. Interestingly, a citizen in Clovelly, which I understand is just jogging distance from the central business district—so you would think Telstra would fix that fairly quickly—requested a phone service from Telstra on 19 May 1999. Because of infrastructure capacity problems, Telstra had to install a new cable in the street and did not connect until 1 September. That customer was paid $1,700 under the govern-
Representatives 14599

Tuesday, 14 March 2000

Representatives

ment’s customer service guarantee. This government has acted in the interests of consumers and customers and will continue to do so.

Internet: Services Providers

Ms Livermore (2.44 p.m.)—My question is to the Minister for the Arts and the Centenary of Federation. Minister, are you aware of a local Internet service provider in Longreach, OQI, which has to pay over $3,500 per month to Telstra for a long-distance ISDN line to Cairns, and which is at risk of closure because of this impost? Isn’t it a fact that local broadband access in Longreach would halve the rate OQI is currently paying? Minister, what will you do to help the people of Longreach obtain Internet services at a rate comparable to that available in Melbourne, Sydney and Brisbane?

Mr McGAURAN—I am happy to take up that matter on behalf of the local member. It is a pity she did not come to us beforehand. I might be wrong but I think she is trying to make political capital out of this issue. It is very mischievous, if that is the case. Of course, you belong to a party that opposed the part privatisation of Telstra, which allowed us to inject hundreds of millions of dollars into upgrading rural, regional and remote telephone and telecommunication services. And we are keeping at it. Above all, at the last election your party had a policy of repealing or abolishing Networking the Nation. Not only did you not support us in our capital upgrade of the telecommunications sector in rural Australia; you actually had a policy to repeal the funding.

My answer to the member would include that the customer service guarantee is working. I should give you this information. Telstra has reported that from March 1998 to December 1999, as Col Cooper or Len Cooper—one of the Coopers—has claimed, standards have improved.

Opposition members interjecting—

Mr McGAURAN—Yes—another dynasty within the trade union movement. He will end up in parliament in that case. I am advised by Telstra that over that period March 1998 to December 1999, from 88 to 98 per cent of remote customers were connected, from 97 to 99 per cent of customers in minor rural centres were connected and from 84 to 86 per cent of rural faults were repaired. We will keep the pressure on Telstra to deliver even better performances.

Rockhampton Airport: Upgrade

Mr Neville (2.46 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Minister, would you advise the House how Central Queensland will benefit from the upgrading of Rockhampton airport?

Mr ANDERSON—I thank the honourable member for his question. He was with me in Rockhampton, which just happens to be in the electorate of the person who asked the previous question. This happens to be a bit of very good news indeed for Rockhampton. I am not quite certain why she did not ask the question. The federal government has committed itself to a range of very important programs in the member for Capricornia’s electorate including a massive upgrading of the national highway grid just north of the town of Longreach. If we are talking about what we are delivering for Longreach, the replacement of the Thompson River bridge and all the roadworks that go with it at many tens of millions of dollars of expense is something else that we could refer to.

The federal government has contributed $7 million towards the lengthening of Rockhampton’s airport. It will have a very substantial positive effect on local employment and on export opportunities. The runway has been extended from 1,980 metres to 2,630 metres. We opened it last Friday. By July, the next stage of the program, a strengthening of the runway, will also be completed. I am sure this is of particular interest to the member for Capricornia. It is believed that this will generate another 400 jobs and provide an annual $40 million boost to the local economy. The upgrade will enable the airport to handle Boeing 747s and heavily laden Boeing 767s. It will position Rockhampton to become the main staging point for international military exercises conducted at Shoalwater Bay.

Another very important point, in terms of the government’s ongoing reform program, is that this upgrade will enable Rockhampton to
tap into opportunities that are being opened up by the government’s new international aviation policy. Under that policy, foreign air carriers will have unrestricted access to regional international airports such as Rockhampton. As a result, that city, the region and the country communities around it will have the opportunity to gain direct access to overseas markets. This level of cooperation between the Rockhampton City Council and the federal government is a welcome change. It is worth noting that, just 70 years ago this month, the city council approached the then federal government, looking for assistance for an airport. It was not forthcoming. The city council had to say no to someone called Hudson Fysh from Longreach, who offered to run a tiger moth service between the two cities if the Rockhampton City Council would build an airport. That was not forthcoming. It has to be said that Mr Fysh took his knockback very well. His little company, Qantas, now flies to 108 destinations in 32 countries. This airport project has been organised much better than 70 years ago. I believe it is very firm testimony to our commitment to rural and regional Australia and ought to be welcomed by everyone in the House, not least the member for Capricornia.

**Nursing Homes: Riverside**

Mr SWAN (2.50 p.m.)—My question without notice is directed to the Minister for Aged Care. Minister, doesn’t this report that you have tabled today confirm that on 17 February, two days after you intervened at the Riverside Nursing Home, you received written notification of serious risk to the health, safety and wellbeing of residents?

Mrs BRONWYN BISHOP—Once again the opposition show they do not understand the system. In fact, two reports have been released today. The first is the Serious risk report, which was reported by the agency to the department. The delegate of the secretary of the department then considered that report and made a decision and sanctions were in fact applied on 22 February. There were press releases put out to that effect. There was a lot of discussion about it. Indeed, there were conditions put in place which were not in fact followed. There is an unwillingness by the Labor Party to understand that the mess that they left behind had to be cleaned up. By following the legislation we have put in place, we have closed this home down. On the one hand you say we should do this and in the very next breath you say the opposite. Speaking out of both sides of your mouth, you say, ‘Yes, you should close it,’ and then, ‘No, you should not.’ Flip, flop, flip, flop Beazley—that is your name. Make up your mind.

**Literacy: National Standards**

Mrs GASH (2.52 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Now that New South Wales has abandoned year 7 literacy testing, what is the situation for literacy testing of year 3 students against national benchmarks in the state? Is the minister aware of alternative policies or actions in relation to national benchmarks and literacy testing? What are the consequences of these policies?

Dr KEMP—Mr Speaker, I thank the member for Gilmore for her question and I know the great commitment she has to improving the lives and standards of young people in her area. Members of this House are aware that the New South Wales government has capitulated to the campaign of the New South Wales Teachers Federation and has abandoned the year 7 literacy test this year. During that campaign they had no support from the Leader of the Opposition. He said nothing whatsoever during this entire campaign against the neediest students in New South Wales and the right of parents to accountability. He has never had any interest in education. He had no interest when he was the minister: he wanted to be back in the Defence portfolio. He deliberately shut off and went to sleep for two years. ‘No tanks, no thanks’ was his attitude to education. He just did not want it.

The issue, however, extends beyond the year 7 test, because New South Wales is now the only state in Australia not to have lodged the results for the year 3 reading assessments against the national benchmarks. It is time that Bob Carr and John Aquilina practised what they preached and released these results. I call on the New South Wales government today to release these results so that the
New South Wales education system can be properly accountable for their teaching of literacy skills to young Australians in New South Wales and so that the parents can be properly informed.

I was asked whether I was aware of any alternative policies. The Australian Labor Party at the federal level is some 12 years behind in this area. The furthest they have been able to come is to support basic skills testing, which was introduced in 1989. The member for Werriwa was unduly optimistic when he told the Leader of the Opposition they were 10 years behind—they are 12 years behind.

Mr Tanner—This is the year 2000. You failed the numeracy test.

Dr Kemp—The Leader of the Opposition has absolutely no commitment to literacy benchmark testing and no commitment to the publication of results. This literacy benchmark testing is the most important equity issue in Australian education today. It has been fought inch by inch by the Australian Education Union, arm in arm with its comrades the Australian Labor Party. Kim Beazley and Shazza have marched hand in hand, arm in arm, in opposition to the national literacy benchmark. They are the two amigos of education. They have aligned themselves against proper accountability to Australian parents for the literacy performance of Australian education systems. It is time for the Leader of the Opposition to break this crashing silence and to start to commit the Labor Party to support for proper literacy testing, for publication of those results and for accountability of education systems for those results, and to make it clear that they are on the side of Australian parents, not against them as they are at the present time.

Nursing Homes: Riverside

Mr McMullan (2.56 p.m.)—My question is to the Minister for Aged Care and it follows that by the member for Lilley. Minister, does’t the report which you have just tabled today confirm that the serious risks to the health, safety and wellbeing of residents at Riverside were advised to you in writing on the 17th? Didn’t you claim to have initiated the inquiry that led to that report? If so, didn’t you put any arrangements in place to ensure that you were immediately advised of the outcome? When did you bother to find out the dire circumstances facing the residents of Riverside Nursing Home?

Mrs Bronwyn Bishop—Mr Speaker, they still don’t understand, do they? The fact of the matter is that there were three reports. The first one—

Opposition members interjecting—

Mrs Bronwyn Bishop—As I said, they really don’t understand, do they? The third report was in fact released on the day that the evacuation of residents began and was the report upon which the decision of the delegate was made to indeed revoke licences and to revoke provider status. That was released by the delegate pursuant to the power within the legislation so that the public—that is, the residents—would know the basis of the closure of the Riverside home. There were three reports: one serious risk report, one review audit report—

Ms Macklin—When did you know?

Mr Beazley—We are talking about the report on the 17th.

Mrs Bronwyn Bishop—The report, as I told you, was made to the delegate and I saw the report after the sanctions on 22 February were in fact put in place, as is proper because there must not be political interference with the decision making processes of the delegate. Following my concern, which I have expressed in this House, I asked the department to write to the Federal Police and refer the matter to them.

Immigration: Policy

Mrs De-Anne Kelly (2.59 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs. Would the minister inform the House of the likely outcome for Australia’s population if current settings are maintained? Minister, what impact would a population policy have on population projections?

Mr Ruddock—Mr Speaker, thank you very much for the opportunity to answer the member for Dawson’s question seeking some information about the nature of population
growth in Australia and also some of the various options that might flow from that. Currently Australia has a net permanent migration of between 60,000 and 70,000 people per year and a birthrate of 1.75 children per fertile couple. It ought to be clear to all members that a birthrate of 1.75 children per fertile couple in fact leads inevitably to a decline in the Australian population born here.

On plausible assumptions about future migration and fertility levels, we are heading towards a population of around 23 million in 2050, and that is stabilising in size and age structure. If you had any modest increase in the intake, it would have only a marginal impact on the projections I have just given to you.

However, some—and it was given credence by the Leader of the Opposition in his earlier interjection—seem to be of a view that we should have a population policy. Population policy is clearly code—either it is code for a significant increase in the size of the immigration program or it is code for eliminating the immigration program. There are some people, in industry for instance, who argue that we should have a one per cent increase in our population as a result of migration. Some people argue that proposition, and the opposition gives credence to business when it goes out there suggesting that those sorts of projections ought to be accepted.

The fact is that a one per cent increase in our population would mean an immigration program of 180,000 people a year. The projections make it very clear that, by the middle of this century, you would have 360,000 people entering through an immigration program or, at the end of the century, you would have 65 million people, if those were the propositions being put. I hear a great deal of comment by the opposition which suggests that they see that that sort of suggestion ought to have little credibility. Equally, if you argue that you should have a reduced population—there are some people who used to argue that we should have net zero migration—net zero migration would lead to a declining population after about 20 years, and you would see the population decline by the end of the century to 14 million, and it would be in perpetual decline.

We have an opposition that is out there suggesting that it can propose all answers to all people. It wants to suggest that it can have, for some, a smaller immigration program. If you listen to the member for Batman, he is hinting at maybe a larger immigration program. If you are going to have a population policy, you either accept the inevitable outcome of the programs that are in place now or go out and argue for something different. We have seen an abysmal failure of the Leader of the Opposition to be able to argue anything different, to be able to put any proposals on the table to tell us what the opposition would do if it had to plan in this area. It needs to make it clear whether it is prepared to accept the programs that are in place or whether it is prepared to have the courage to go out and argue for a separate and different set of policies. Otherwise, you will inevitably be seen as the weak leader that everybody on this side recognises you are.

Nursing Homes: Riverside

Mr BEAZLEY (3.04 p.m.)—My question is to the Minister for Aged Care. Minister, will you confirm that the serious risks to residents of Riverside that were notified to you included the following: that a dying resident was vomiting blood and being bathed in kerosene, that residents’ wounds had become flyblown and maggot infested, that numerous residents were suffering from pus filled blisters and severe rashes and that residents with tubes placed into their bladders and abdomens were exposed to toxic kerosene solution internally? Given this, why was the decision made on 22 February that the provider would retain control of the nursing home and would simply have to nominate an administrator of his choice? How could you leave this provider in control of this nursing home when its residents were suffering from such an appalling catalogue of maltreatment and why did you announce those limited sanctions only when flushed out by the media on 24 February?

Mrs BRONWYN BISHOP—Today, because of the typically misleading statements made by the Labor Party, I put a full and comprehensive answer down to a question which explained precisely the mechanisms
that had been gone through in accordance with the Aged Care Act. I said it had been done in accordance with legal advice right throughout. With all the hyperbole that comes from the Labor Party, where is their policy? Let me say that Senator Evans had this to say—

Mr Beazley—Mr Speaker, I take a point of order on relevance. She has been asked a series of specific questions that go to the heart of the report that was handed to her between 17 and 22 February—it should have been the 17th—and we want to understand from her why it is she took such minuscule action immediately.

Mr SPEAKER—I noted the question. The Leader of the Opposition has made his point and will resume his seat. I noted the points made by the Leader of the Opposition and I had no reason to doubt that the minister was responding to the sequence of events. I call the minister.

Mrs BRONWYN BISHOP—Not only do they not have a policy, as evidenced by Senator Evans, but, as I have carefully explained so that even the Leader of the Opposition can understand it, the report was handed to the delegate of the secretary, not to the minister. I do wish you would understand. You really cannot be that thick.

Mr SPEAKER—The minister will respond through the chair.

Mrs BRONWYN BISHOP—To the contrary, maybe you can be that thick. After all, this is what your spokesman said.

Mr SPEAKER—The minister will respond through the chair and the Leader of the Opposition will hear her in silence.

Mrs BRONWYN BISHOP—My colleague the Treasurer says I should use words of one syllable for your benefit.

Mr SPEAKER—I would remind the minister that that could have been deemed to be a reflection on the chair, though that was not intended. I invited her to respond to the question.

Mr Melham—Are you back talking to one another?

Mr SPEAKER—Order! The member for Banks is warned!

Mrs BRONWYN BISHOP—Senator Evans said, ‘We should drive out industry rogue providers, those who are not prepared to meet the high standards set by the new accreditation system.’ That is our policy. He then went on, and let us see if we could find what yours was. Here we found it. He said, ‘I say at the outset—

Mr Beazley—Mr Speaker, I take a point of order. The minister’s secretary has been handed a report on the 17th after an investigation announced in this parliament. What we want to know is why there was this limited and concealed action.

Mr SPEAKER—I have noted the question. I am asking the minister to respond to the question.

Mrs BRONWYN BISHOP—Just to conclude, Senator Evans says that he believes that there will always be rogue providers but he guesses that to some extent they will always be there. Not under our policy. That may be their policy, but our policy is to use the power under the act.

Nuclear Disarmament

Mr CADMAN (3.09 p.m.)—My question is addressed to the Minister for Foreign Affairs. Could the minister inform the House of the government’s contribution to nuclear disarmament? Is the minister aware of any alternative views?

Mr DOWNER—I thank the honourable member for Mitchell for his question. I think the House would know only too well that this government is deeply committed to the nuclear non-proliferation regime, and few Australians will forget the way this government brought to life the Comprehensive Nuclear Test Ban Treaty in 1996. Indeed, it stands as one of our, and for that matter our part of the world’s, great achievements in the area of nuclear non-proliferation.

Yesterday it was with great pleasure that I signed the agreement with the executive secretary of the Comprehensive Nuclear Test Ban Treaty organisation, Dr Hoffmann, to facilitate the establishment and management of nuclear test monitoring stations in Australia. In this country we will be hosting around 20 monitoring stations, which is more than any other country in the world except for the
United States and Russia. That represents a very substantial and practical contribution to the verification of the treaty—in other words, to our broader national commitment to stopping future tests by nuclear weapon states and nuclear threshold states.

The honourable member asks me whether there are any alternative policies. I thought the House might be interested to know that the opposition spokesman on foreign affairs is soon to attend a seminar on nuclear non-proliferation and arms control issues. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar in, for example, the United States, given the alliance relationship between Australia and the United States, or in a country like France or Britain—nuclear weapon states but countries which have a slightly different perspective from the United States. But no; the member for Kingsford-Smith is going to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party. Members of the House may expect him to attend a seminar on nuclear non-proliferation in New Zealand, which apparently is now going to be the source of policy advice on nuclear issues for the Australian Labor Party.

Health: Depression

Mr McARTHUR (3.14 p.m.)—My question is addressed to the Minister for Health and Aged Care. Would the minister inform the House of the government’s initiatives to address the significant burden of depression in Australia? Minister, what impact does depression have on individual Australians?

Dr WOOLDRIDGE—I thank the honourable member for his question. It is estimated that some 20 per cent of Australians in any one year will suffer some degree of depression. In 1997 the Australian Bureau of Statistics carried out a survey of mental health and wellbeing which found that some 800,000 Australians a year have depression serious enough to be called a depressive illness. Depression accounts for around 25 per cent of years lived with a disability. To put that into some context, if you compare it in the work force to days lost for industrial disputes, there are as many days lost through depressive illness in a fortnight in Australia as there are through industrial disputes in any 12-month period.

Australia is not alone here. The World Health Organisation estimates that by the year 2020 depression will be the second major burden of illness in industrialised countries, second only to heart disease. The government has had a number of initiatives over the past four years in this area, but I am pleased to inform the House of one that I announced in Melbourne this morning. It is called the National Depression Initiative, and the Commonwealth will be giving $3½ million a year over a five-year period initially, and we will be seeking matching contributions from state and territory governments and from business organisations. The partnerships in this are essential for it to work and to work successfully.
We have taken the model of the National Breast Cancer Centre, which was started in 1995 and has proved successful in changing attitudes to, and the treatment of, breast cancer. We are hoping that the National Depression Initiative will similarly lead to greater community awareness, a reduction in stigma, best practice guidelines and significant work with general practitioners, who are usually the first port of call for treatment, and will focus our national research effort on answering the questions that particularly apply to this country.

I announced this morning that the chairman of this initiative would be the former Victorian Premier, Jeff Kennett. He showed considerable courage and leadership in raising this as an issue. While we have not always agreed on a lot of issues in health care, we felt that this was far more important than any previous political history, and we are highly optimistic that state and territory governments will similarly put this above party politics. He is being joined in the initial scoping by Professor Harvey Whiteford from the University of Queensland, who is a consultant to the World Bank on mental health issues, and John McGrath, who is chairman of the Mental Health Council of Australia, the national peak consumer group.

I am enormously optimistic that, in the medium term, initiatives such as this will very dramatically change the way we look at and treat mental illness in Australia and will give many hundreds of thousands of Australians great hope.

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

QUESTIONS TO MR SPEAKER

Native Title and the Aboriginal and Torres Strait Islander Land Fund Committee

Mr Speaker (3.18 p.m.)—On 9 March, the member for the Northern Territory, the Hon. Warren Snowdon MP, raised a question about the distribution of the Hansard record of proceedings of the public hearings of the Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund on 22 and 23 February 2000. I understand that the joint committee on native title, like many parliamentary committees, makes the proof transcripts of its public hearings available on the Internet as soon as they are prepared. Thus the transcripts are available to whoever may wish to access them, including members and senators on the committee. Members of the committee are provided with hard copies of the transcript at a later date. There is no issue of privilege involved in making the transcript available on the web site. I am advised that there is no knowledge in the secretariat of a request from the Prime Minister’s office or his department for an advance copy, nor was any advance copy provided.

AUDITOR-GENERAL’S REPORTS

Report No. 33 of 1999-2000

Mr Speaker—I present the Auditor-General’s audit report No. 33 of 1999-2000 entitled Performance audit—Administration of business entry program—Department of Immigration and Multicultural Affairs.

Ordered that the report be printed.

PERSONAL EXPLANATIONS

Mr Brereton (Kingsford-Smith) (3.19 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr Speaker—Does the honourable member claim to have been misrepresented?

Mr Brereton—Yes.

Mr Speaker—Please proceed.

Mr Brereton—During question time, the Minister for Foreign Affairs stated to the House that I was shortly to attend a conference in New Zealand on nuclear non-proliferation. Whilst I acknowledge the leadership given by New Zealand in this area, I regret to inform the House that I have received no such invitation to a conference and, accordingly, I have no plans to attend.

Honourable members interjecting—

Mr Speaker—The behaviour of the member for Oxley, the member for Lyons, the member for Griffith and the Minister for Foreign Affairs is quite unacceptable. The House will come to order.

PAPERS

Mr Reith (Flinders—Leader of the House)—Papers are tabled as listed in the schedule circulated to honourable members.
earlier today. Details of the papers will be recorded in the *Votes and Proceedings*.

Honourable members interjecting—

Mr SPEAKER—The Minister for Foreign Affairs! The Minister for Foreign Affairs is blatantly defying the chair and is warned. And the member for Corio will be following him very shortly.

**MINISTERIAL STATEMENTS**

**Trade Mission to the Gulf**

Mr VAILE *(Lyne—Minister for Trade)*

(3.22 p.m.)—by leave—The Gulf States of the Middle East offer some exciting opportunities for Australia to increase its trade and to secure new sources of investment. I was keen to visit the key countries of the region early in my tenure as Minister for Trade to promote Australia’s economic and commercial interests and strengthen relations with the governments of the region. I am pleased to report the visit to the Gulf states of Bahrain, Saudi Arabia, Kuwait and the United Arab Emirates fully achieved its objectives. In particular, the visit was able to demonstrate to their business communities the commercial potential of Australian exporters and also to broaden awareness in the Gulf of the range and quality of Australian high technology and services, such as in education, health and tourism, as well as Australian agricultural exports. The success of the visit is good news, especially for regional and rural Australia. Personal relationships and mutual trust are vital in developing commercial relationships in these countries. The visit was particularly useful in allowing me to establish a personal rapport with my ministerial counterparts and commercial leaders.

A very large and diverse business mission of up to 60 leading Australian business delegates accompanied me on the trade visit. The delegates represented a broad cross-section of small to medium sized enterprises specialising in high technology and service exports, defence, mining and agricultural produce, as well as agribusiness. In many cases the participants were new to this market. The size and quality of participants in the delegation were important factors giving substance to the messages I delivered at a government level. All delegates made useful new contacts from which they can expect commercial benefit. Those contacts alone will build our commercial presence in the region.

In Saudi Arabia, I was accorded unusually high level access, including a meeting with Crown Prince Abdullah. I also had substantive discussions on the strengthening of economic relations with the highly influential Governor of Riyadh, Prince Salman, who is planning a visit to Australia in April as a guest of government. My discussions with Commerce Minister Faqih centred on the Saudi desire to conclude Australia’s negotiations on their accession to the WTO quickly. The Saudis welcomed my undertaking to speed up the bilateral negotiation process by having separate negotiations in Riyadh. The visit to Saudi Arabia coincided with the successful commencement of trial live sheep shipments. I was able to inspect some of these in a feedlot during my visit to Jeddah. In Kuwait, I had the opportunity to draw upon Australia’s substantial record of support for Kuwait over the past decade to present a strong case for Kuwaiti support for major Australian commercial interests, as well as to seek further Kuwaiti investment. I was assured that the long-term prospects to both expand and diversify the trade and investment relationship with Kuwait were very good.

In the UAE, I co-chaired a highly successful Australia-UAE Joint Ministerial Commission on 4 March, attended by over 200 delegates. The attendance on the UAE side was unprecedented. It was the first time that all seven of their chambers of commerce and industry had been represented at the chair and/or director-general level. In the Middle East, chambers of commerce play extremely influential roles. Doing business in the Middle East invariably involves developing good relations with the chambers. The 84 UAE delegates in Abu Dhabi represented nearly all the major local companies. The JMC agreed on a substantial program of bilateral cooperation, most of it commercially based. Among the outcomes of the JMC was agreement to develop a partnership that would see both countries working toward the development of new elements in the bilateral trade relationship, the diversification of both sides’
investment bases and the use of both countries as a launching pad for trading into other countries. The UAE is an ideal entry point for Australian companies seeking to establish commercial relationships in other parts of the Gulf, such as Iran, the Indian subcontinent and parts of Africa.

We also agreed to continue negotiations on an investment promotion and protection agreement, and to conduct further discussions on double taxation issues. I also had discussions with leaders, ministers and business people on expanding trade and two-way investment relationships. At a high-level function arranged by the local Australian business association, Australian Business In the Gulf, or ABIG, in Dubai, I went to lengths to outline the coalition’s intentions to push our trade and investment relationship forward. While I was in Abu Dhabi, it was also a pleasure for me personally to open there the newest Australian Embassy. Why focus now on the Middle East and, in particular, on the Gulf? Australia has established a very sound reputation as a reliable and understanding economic partner with the countries of the Middle East. The region has long been a major destination for our exports of wheat, live sheep, sugar and alumina. It is a market that has become increasingly important for Australia, particularly for Australia’s automotive sector. The potential of the Gulf states, as a market for Australian products, is very promising. In 1999, Australian exports to the Gulf totalled $2.4 billion, of which our exports to Saudi Arabia were over $1 billion and to the UAE over $800 million.

Australia has a great track record in producing what the market wants—not only commodities but also value added manufactures such as motor vehicles and high technology equipment. Who would have thought five years ago that Australia would become a major supplier of passenger cars to the Gulf? The region is also potentially a very significant market for our services, in education, medical, hospitality and communications, in mining and mining infrastructure development, and in energy development. There is great potential for two-way growth in the tourism industry. One of the lessons flowing from the recent financial crisis in Asia is that it is important for Australia to broaden and diversify its investment base. The Gulf is a key potential source of investment for Australia. I promoted Australia as an economically and politically stable investment destination. I outlined the government’s proud economic record. The reception accorded to my delegation in the UAE, Saudi Arabia and Kuwait was regarded by senior government figures in those countries as exceptional, even by the traditional standards of hospitality of the region. There was a message in that for Australia—that our business reputation in the region is strong and we are seen as having a great deal to offer. Australia’s relations with those countries clearly matter to them as well as they do to us. In Saudi Arabia, Kuwait and the UAE, I found there was both the interest and the capacity to undertake further investment in Australian commercial ventures.

Australia has done a great deal to strengthen its profile and to pursue its objectives in the Gulf region. We are now effectively represented. We have a strong and effective Austrade and diplomatic presence in the UAE as well as in Saudi Arabia. But we must keep up the effort. The competition is tough. Innovative thinking is needed for us to build our competitive edge in this market. The region is very dynamic. Some 60 per cent of the Gulf’s population are under the age of 21, and they are becoming wealthier and more cosmopolitan in their tastes. Right now the Gulf has import needs of some $150 billion each year. It has huge development needs, with some $55 billion worth of development projects expected for the next five years in areas such as water, airports, road, rail, aluminium, development and hospitality infrastructure. The eventual accession of Saudi Arabia to the WTO will bolster trade with the region in coming years.

The focus of Gulf economic policy is increasingly one of diversification from reliance on oil revenue. This embraces everything from downstream hydrocarbon products like fertilisers and polymers to building and construction materials and particularly services such as investment, banking and finance, education, health and information technology. Saudi Arabia is starting to open its economy more to foreign participation for
the first time. All Gulf states are making progress in deregulating and privatising their economic structures. These elements offer opportunities for Australia. Australia must diversify its export base into other markets beyond Asia. In this context, the Middle East market stands out. It offers an excellent opportunity to build on our strong reputation as a supplier of traditional commodity exports and to broaden our commercial relationship into value added goods and services, and it has the potential to become a very important source of foreign investment in our economy. The mission I led put Australia’s stamp on many future commercial developments in the region. I recommend this statement to the House.

Mr BRERETON (Kingsford-Smith) (3.31 p.m.)—by leave—In response to Minister Vaile’s report, can I say that it is pleasing to see the government focussing some attention on the Middle East, particularly Saudi Arabia, Kuwait, Bahrain and the United Arab Emirates. I acknowledge the presence in the chamber of the former Deputy Prime Minister who, I think, is responsible for the direction that the government has taken in paying this attention.

Like so many of the minister’s previous reports, today’s statement on the Gulf trip reads perhaps more like a travelogue than a detailed government strategy. While modestly outlining the unusually high level access he was accorded, the exceptional reception that he received and, of course, the unprecedented attendance at his functions, it is far from clear what Minister Vaile actually did when he was overseas. I think it is even less clear what Minister Vaile intends to do to boost trade with our region. It is all very well to meet and greet—that is very important—but the minister’s report contains no real sense of vision. On the crucial question of Saudi Arabia’s accession to the WTO, Minister Vaile says that he will accelerate Australia’s bilateral negotiations, but then he fails to take the next step. Australia should be playing a key role in building international support for this accession, but under Minister Vaile we are apparently just going to be a spectator, sitting on the sidelines of the main game.

Whenever we assess the government’s trade performance I think it is very important to focus on the big picture. When Labor left office Australia had a trade surplus. We now have a record deficit, which topped $16 billion in 1999. As a proportion of GDP, our trade deficit is worse than that of seven of our top 10 trading partners. Of course, the trade deficit is not the only figure to be considered. Our current account deficit is also up. For the 12 months to the end of the September 1999 quarter, Australia’s current account deficit was $34 billion—and that figure is, of course, another record. Then there is foreign debt. Australia’s foreign debt today stands at $246 billion. That is 28 per cent higher than when Labor left office. We all remember on this side of the House the ‘debt truck’ that Peter Costello proudly drove around the country in 1996. Back then he said that Labor had racked up debts of $10,000 for every person in Australia. John Howard promised that, under the coalition, foreign debt would fall. Yet today Australia’s foreign debt is nearly $13,000 for every man, woman and child.

This is the perspective from which we should view the coalition’s strategy of so-called aggressive bilateralism. While bilateralism should be an important part of Australia’s trade strategy, it should not be the centrepiece. The core of our trade policy—where the greatest gains can be made—continues to be through multilateralism. The cost of the coalition’s policy of aggressive bilateralism is a record trade deficit, a record current account deficit, a record level of net foreign debt liabilities and Australia’s estrangement from our trading partners in Asia. APEC has stalled. The extent to which the APEC leaders meetings—

Mr Vaile interjecting—

Mr BRERETON—The Secretary-General said the other day that it is going to be increasingly difficult to justify APEC leaders meetings in future years of ASEAN.

Mr Downer interjecting—

Mr SPEAKER—The Minister for Foreign Affairs is already in a tenuous position in the House.
Mr BRERETON—As to the WTO, Minister Vaile seems to have sunk into the mire of pessimism and decided that it is not worth pushing for a new trade round until 2001. Furthermore, the recent news that the ILO’s committee of experts has found Australia in breach of the ILO convention on collective bargaining may prove to be another blow to our efforts for world trade liberalisation. If we are to rescue the WTO from the mire of Seattle, we must deal appropriately with the issue of labour standards. But this is going to be difficult to achieve when we have a government that stands in breach of one of our core labour conventions. If the Howard government is serious about a new WTO round it must get serious about adhering to ILO conventions. If not, then Australian exporters are likely to miss out on the full benefits that a new WTO round could bring—as much as $7.5 billion per annum, not to mention the employment boost that comes with access to new markets.

Finally, since the minister has chosen to focus his remarks today on trade in one part of the world, I might take the opportunity to speak briefly about another area of considerable importance in our trade relationships: relations with India. Last month, I visited New Delhi and held discussions with Indian ministers and officials, including the Minister for External Affairs, Jaswant Singh; the Minister of State for External Affairs, Ajit Panja; and the National Security Adviser, Brajesh Mishra. I also met former Prime Minister and Minister for External Affairs I. K. Gujral and Congress Party Foreign Policy Chairman Natwar Singh.

No-one should underestimate India’s importance and potential as an emerging economic powerhouse and global power. India is a critical player in international forums, with the capacity to influence a wide range of Australian interests. No-one should fail to appreciate India’s tremendous potential as a trading partner. India is the world’s largest democracy, with a population already at one billion and projected to grow to 1.4 billion by 2025. India is the world’s fifth largest economy in purchasing power parity terms and is enjoying sustained economic growth, in large part as a consequence of the progressive opening of its economy over the past decade. This is a key relationship and one which is badly in need of high-level political attention from Australia.

US President Bill Clinton’s forthcoming visit to India is a very clear demonstration of India’s growing importance as a global power. The President’s visit is being preceded by a series of high-level visits to New Delhi by US figures including Treasury Secretary Lawrence Summers, Commander-in-Chief Pacific Admiral Blair, and by wide-ranging exchanges on security issues between Deputy Secretary of State Strobe Talbott and External Affairs Minister Singh. The United States and many other countries are making major efforts to expand and strengthen ties with India. Australia, however, has been lagging badly behind and risks missing the boat. While our bilateral relationships have improved somewhat since the low point of 1998, it is very clear that much more work needs to be done.

Mr Downer—What about Tim Fischer’s visit? What about Ashton Calvert’s visit?

Mr BRERETON—The minister asked me about Minister Fischer’s visit. Let me respond by pointing out that foreign minister Downer has not visited India since 1997, and the fact is that a great deal of work needs to be done. Whilst Ashton Calvert’s recent talks were important—and they are a very welcome development—what we need is high-level political commitment, and we need it from this government. We need it on behalf of Australia. The reality is that the last Prime Minister of Australia to visit India was Prime Minister Bob Hawke, 11 years ago in 1989. The visit of Prime Minister Howard that was scheduled for 1996 was cancelled at the last moment. We have broken the ice in this difficult relationship, and I think we have the former Deputy Prime Minister to thank for that. But his visit has not been followed by any further visits by cabinet ministers in either direction.

Mr Downer—Yes, it has.

Mr BRERETON—No, it has not. Because of a longstanding failure by Australia to put real political effort into this key relationship, we risk missing not only top-level
dialogue on global and regional security issues but also major export opportunities.

India’s considerable potential as a market for Australia’s energy exports, especially LNG, requires close attention. According to estimates by the International Energy Agency, India may prove to be an LNG market as big, if not bigger, than China. Official-level bilateral mechanisms such as the planned joint working group on energy and minerals, go some way to facilitate cooperation, but senior political involvement is essential.

Australia should also be actively exploring the bilateral potential of the Kyoto Protocol’s provisions for clean development mechanisms. More broadly, there are strong arguments for the development of substantive dialogue and cooperation with India on a wide range of environmental protection issues. India faces enormous environmental challenges, and Australia’s experience and technology can provide valuable assistance. Australia could also learn much from India’s experience.

Australia’s relationship with India sorely needs a major political boost. I know foreign minister Downer is shortly to visit New Delhi—

Mr Downer—On Tuesday.

Mr BRERETON—We welcome it. It is a trip reported to be designed to get back to business as usual. It is long overdue, but we welcome it. Let me just point out to the House what else is happening next week. There is another visit to New Delhi: a visit by President Clinton. With President Clinton in town, I think perhaps it is going to be a little difficult for the foreign minister from Australia to lift Australia’s profile in the manner which is required. I know there is to be a joint ministerial council meeting held here later in the year, but much more is required. Trade minister Vaile should make New Delhi a travel priority. He should be announcing, as soon as possible, his own commitment to visit New Delhi. At the same time, Australia should terminate the remaining measures imposed in response to India’s nuclear tests—specifically the ban on bilateral military contacts and the suspension of non-humanitarian aid. I think these are urgent priorities and the government should tackle them.

What is required, if the government is to be really serious about this relationship, is for our own Prime Minister to make India a priority in his overseas travel this year. The Prime Minister will fly to Turkey for this year’s Anzac Day ceremonies. In June, he is flying to the United Kingdom to celebrate the centenary of Federation. Australia’s national interests would be better served if he were to not just fly over India but take the time to stop and help forge a new relationship with the world’s largest democracy.

In conclusion, we acknowledge Minister Vaile’s report on his trip to the Gulf, but I do not think it changes the fact that, under the Howard government, Australia’s trade position is worse than it has ever been. Australia and our trading partners, old and new, deserve much, much better. Labor has a simple response to today’s statement: more strategy, less travelogue, and more results.

Mr VAILE (Lyne—Minister for Trade) (3.44 p.m.)—I present a copy of the ministerial statement.

Motion (by Mr Vaile) proposed:
That the House take note of the paper.
Debate (on motion by Mr Martin) adjourned.

MATTERS OF PUBLIC IMPORTANCE
Goods and Services Tax: Caravan Parks

Mr SPEAKER—I have received a letter from the honourable member for Grayndler proposing that a definite matter of public importance be submitted to the House for discussion, namely:
The failure of the government to address the concerns of long-term residents of caravan parks, regarding the impact of the GST.
I call upon those members who approve of the proposed discussion to rise in their places.

Mr ALBANESE (Grayndler) (3.45 p.m.)—I am very pleased to move this matter
of public importance today. I will begin with a quote:

It's a stuff-up. There is no other explanation. I feel it is a discriminatory tax on where you are living.

Who said that?

Mr Martin—Jo Gash.

Mr ALBANESE—the member for Cunningham wins the prize. It was the member for Gilmore, Jo Gash, who has not bothered to come into the chamber to hear this debate. But I am not surprised. Today, permanent residents of caravan parks came to Parliament House, some of them from the electorate of Lyne—the member for which, the trade minister, is leaving the chamber. They got up at 4 a.m. today to travel to Canberra so that they could express their opposition to paying a GST on their rent or their site fees. They delivered a very blunt message on the GST on behalf of the 160,000 residents of caravan parks in Australia. That message was, ‘We want to be treated like all other Australians.’

The government says that it cannot move on this issue, but we have seen this government come into this House—they did it again last night—and move literally thousands of amendments to their GST package. Not a day goes past where there is not an amendment moved in this House or in the Senate, but it appears that the concerns of permanent residents of caravan parks have fallen on deaf ears. They wrote to the Prime Minister and to the Treasurer, and they asked for a meeting. What they got from the Treasurer was a blunt no, but perhaps that is more honest than the Prime Minister, who did not bother to respond to them—he showed them the contempt in which they are held by this Prime Minister. Every member of the government was invited, through the government whip, to attend a rally outside at one o’clock this afternoon. Not one single member of the government bothered to show up. The only person who showed up with government connections was a staffer of the member for Robertson, who slunk around in the crowd sneakily taking notes and taking down names of people who were there, so that he could report back.

The members of the government are very brave when they are in their electorates. They tell their constituents that they are opposed to the GST being charged on them, but when they have the opportunity to meet them here in Canberra, they ignore them. Most of the people who live in caravan parks are elderly Australians who have made their contribution to this country. More than half are over 60, and they live there for reasons of security, the sense of community that caravan park living offers, the lifestyle it gives them and for reasons of affordability. Of those residents, 73 per cent do not have paid work. I have met many of them, and they are angry at the breach of the Howard government’s commitment that rent would be GST free. It is just another Howard government broken promise, but it is a broken promise targeted at the battlers of Australia. It is true that rent will be GST free if you are paying $2½ thousand a week to rent a house with harbour views in Kirribilli or in the Treasurer’s electorate in Toorak, but if you are renting in a caravan park in Murwillumbah or in Nowra or in Queanbeyan or in Cairns you will have to pay the GST. If you are paying $90 a week in a caravan park, you will pay the GST; if you are paying $2½ thousand a week in Kirribilli, you will not pay the GST.

This is discrimination against the most vulnerable Australians, who can least afford to pay. It is against all those Australian principles of a fair go. The government’s decision to deem caravan parks, mobile homes, boarding houses and manufactured home parks as commercial residences has meant that a full goods and services tax of 10 per cent will be charged for the first 27 days, and five per cent after that. Unless park owners impose the GST, they cannot claim back their input taxes. Residents have no choice whatsoever.

Watching the coalition struggle with this issue has been an interesting insight into the thinking of the Howard government. We saw it again from the Prime Minister today when he received a question from me. He said, ‘Oh, there are going to be income tax cuts. There are going to be all these issues.’ These people are not going to benefit from the income tax cuts; they do not pay tax. They are battlers; they are struggling. For those people who do not have family trusts— unlike the
people who occupy the front benches over there—a five per cent imposition on their average $90 to $95 a week will make it that much harder. It will be food or clothing or the essentials of life that they will have to do without. So how has the government come to this position? Not only are they economically discriminating against people but they are attacking people’s dignity. They are saying that they do not really live anywhere, that they are just long-term stayers. The government say that people who live in caravan parks are just out on a holiday—for some 20 or 30 years—and that they will treat them as tourists.

How has this happened? On 9 February last year, when we first raised this issue, my colleague the member for Lilley asked the Minister for Community Services, Warren Truss, about this decision. His reply was illuminating. It said a lot about the mindset of this government. Mr Truss said, ‘What are caravan parks if they are not tourist accommodation?’ This from a man who represents a seat on the Queensland coast. This from a man who has thousands of permanent residents of caravan parks in his electorate. I suggest he go and have a look. They have not got wheels on them; they are homes. These are homes which people are proud of. They go to a great deal of effort to create gardens and to create a community and a sense of pride in where they live. They certainly are not tourists. In one sentence, the minister demonstrated the contempt that he has, because he believes that they simply do not exist.

The Treasurer’s comments also demonstrate the complete lack of empathy this government affords Australia’s most vulnerable. On 7 February the Treasurer was asked questions about the goods and services tax in relation to caravan parks. He responded that they were merely ‘esoteric’. He said, ‘How many people in Australia run caravan parks? I mean amongst your listeners there would be some, but I imagine most of your listeners would be in regional businesses or farming businesses...’ Ho hum! The Treasurer showed exactly which side he is on. He forgot that there are some people who are not businessmen who own caravan parks; in fact, there are 160,000 people who live there. But, unless you own capital, you do not count as far as this government is concerned.

The government does have a problem, however, because the vast majority of the 160,000 Australians living in this form of accommodation live in coalition-held rural and regional seats—seats such as Kalgoorlie, where a Labor Party caucus committee will be held on Monday, which has 14,509 residents; Leichhardt, 5,639; Lyne, 3,421; Northern Territory, 9,814; Richmond—and no wonder Lame Duck Larry is worried—has 6,649. Mr Deputy Speaker Nehl, your electorate of Cowper has 4,471; Dawson, 5,796; Eden-Monaro, 2,682; and Hinkler, 3,812. That is not a bad little collection for a start, not a bad little collection that will see the sides swap after the next federal election on this issue alone.

But that fact has not been lost on some members opposite. The member for Lyne said in his pre-election material, ‘I would like to assure you that residents who occupy accommodation in a caravan park or holiday village on a permanent basis will not have to pay GST on their site fees. This will be treated the same way as rental of a house or unit and will be GST free.’ That is completely wrong. It is just untrue, as the Prime Minister confirmed in the House today. I began by speaking about the member for Gilmore, who called it a ‘stuff-up’ and ‘discriminatory’. It goes further: the Deputy Prime Minister, John Anderson, told reporters, after the comments of the member for Gilmore, who called it a ‘stuff-up’ and ‘discriminatory’. It goes further: the Deputy Prime Minister, John Anderson, told reporters, after the comments of the member for Gilmore, who called it a ‘stuff-up’ and ‘discriminatory’. It goes further: the Deputy Prime Minister, John Anderson, told reporters, after the comments of the member for Gilmore, who called it a ‘stuff-up’ and ‘discriminatory’. It goes further: the Deputy Prime Minister, John Anderson, told reporters, after the comments of the member for Gilmore, who called it a ‘stuff-up’ and ‘discriminatory’. It goes further: the Deputy Prime Minister, John Anderson, told reporters, after the comments of the member for Gilmore, who called it a ‘stuff-up’ and ‘discriminatory’. It goes further: the Deputy Prime Minister, John Anderson, told reporters, after the comments of the member for Gilmore, who called it a ‘stuff-up’ and ‘discriminatory'.

When you think about the electorates that I read out, think about the government’s commitment to rural and regional Australia, about the lack of services and about how they would not be treated worse than others. We have heard that the red light would go on in the Prime Minister’s office when discrimination occurred against regional Australia. The only red light is that which is in the office of the Leader of the National Party. There is a red light there because they are too busy watching ‘pornos’ to bother with looking
after their electorates. The constituents have contempt for this issue.

We have heard a lot of puff and wind from the government, but in the caucus they just rolled over. The person who has perhaps been the most pathetic on this issue is Larry Anthony, the member for Richmond. He said:

Prior to the last election we were very open and transparent about the GST, particularly the relationship that it had to rent ...

How does that sit with the comments of the member for Lyne? He told the Tweed Daily News that he supported the government’s imposition of a GST on site fees, arguing that ‘site fees are not the same as rent’ and that the whole issue was ‘nothing new’. But, over the holidays, the member for Richmond had a few representations from these 6,649 constituents, a number permanently embedded in his psyche. They went to see him and he then had a change of view. He forgot that tape recorders exist, unfortunately for him. He gave a commitment in his electorate. He said:

... I do hope there can be a change there ... and I hope I can come back to you shortly and I will, through your representatives, and hopefully there can be a change.

Here he is saying, ‘I’ll go and lobby.’ He is the minister responsible for this decision! He is the minister responsible, but he is going to slink through and have a bit of a word and maybe he will get back to his constituents about whether there is a change. But when he gets in here, he is silent. When he gets here he defends the government’s position. It is pathetic.

Mr Swan—Where is he today?

Mr ALBANESE—He could not even be bothered coming into the chamber today, and he could not be bothered meeting the constituents who came all the way from Richmond to lobby the government, only to be treated with contempt on this issue. The GST will deliver many injustices. But the charging of the GST on caravan site fees while other Australians in rental accommodation receive GST-free rent exemplifies the way that the GST will hit hardest those Australians most vulnerable in our community. The least these residents could have expected was a meeting with the government to at least discuss their concerns. I notice that the member for Mitchell is in here. Last night he said that the GST would not apply on rental sites in caravan parks. It is in the Hansard. I suggest that maybe he should change it if he is going to speak on this.

What do these residents have to do to get a hearing in Canberra? Do they have to find a Howard who lives in a caravan park so that they can actually get an audience with the minister, the Prime Minister or the Treasurer? They have been treated with contempt, in spite of spending hours travelling to Canberra today and forking out some of their hard-earned money to try to get this unfair decision overturned.

I think it is quite significant that we are having this debate here today and remember those people who have been so vocal, remember who they are: the member for Richmond, Larry Anthony, said he would get back to them; the member for Lyne, Mark Vaile, said it would not apply; the member for Gilmore said it was a stuff-up; the member for Robertson said only this week, ‘Forget about what the Treasurer said. It’s still under review and we’re still lobbying’; and the member for Kalgoorlie, who is in real trouble. He is the bloke with a margin of 1,400 and 14,000 park residents. If you are wondering why he is not here, he is out there trying to work out his direct mail or he is doing some sort of campaigning because he will not be here for long. Then there is the member for Leichhardt, Warren Entsch, who has defended this here but said a different thing to his electorate. Not one of those people is prepared to come into this chamber and enter into this debate. That just shows how pathetic this government is, how contemptuous it is of ordinary, battling Australians who are struggling to survive from week to week and who simply do not understand why, if you do not have a family trust, if you are not from the top end of town, you will be ignored by this government. (Time expired)

An incident having occurred in the gallery—

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The gallery will come to order.
Mr CADMAN (Mitchell) (4.00 p.m.)—Line by line, item by item, the Australian Labor Party are endeavouring to build up resentment towards the goods and services tax. As they do that, they rule out option after option for the tax system that the Labor Party claim they are going to put in place. What are you left with, I appeal to the members opposite? You are left with nothing but an increase in personal income tax. You have ruled out, item by item, line by line, those areas that you do not want to have within a renewed tax system. The government, on the other hand, understands the situation. For long-term rental caravan park stayers there is no goods and services tax on the rent. It is treated in exactly the same way as any other long-term rental. Whether it be part of a home, whether it be a total house, whether it be a guest house or whether it be any sort of permanent long-term rental, the goods and services tax is exactly the same no matter where you live and no matter what your circumstances. There is a choice. It is one of the choices owners of long-term caravan parks have. A concession offered by the government to no other section of the rental market, to no other owner of any rental property and to no other people staying in rental accommodation is the capacity to put a goods and services tax on half the value of the rent. The owner can claim back all the input taxes. That is something that other long-term rental owners do not have. That is a concession offered by the government. I believe it gives the owner of the property and the residents of the property a choice that no other section of the market has. On our estimations, this gives an equitable outcome and, in many cases, a slightly better outcome for those people in long-term rental accommodation in caravan parks. No-one else has this concession.

I understand the decisions made by residents of long-term stay caravan parks—I have them in my own electorate—and in some instances it is a matter of a lifestyle decision; a wish to live in more pleasant surroundings. Who could deny anybody the opportunity of selecting where they live in a country like Australia? But I understand that sometimes people’s decisions are forced by circumstances and that their means do not allow them to acquire the accommodation they might desire. However, living in a long-term stay caravan park can give people an opportunity to mix a lifestyle with their earning capacity and an ability to join with others in accommodation that they appreciate. While the Australian Labor Party has built up concerns and expectations of disaster, the government has put in place the ACCC—the Australian Competition and Consumer Commission, which has the capacity to go in and fine individuals up to half a million dollars a day, or an organisation $10 million a day, if there is exploitation or abuse. All that is needed is a complaint to be made to the ACCC, and immediately mechanisms are in place to prevent exploitation.

We have put benefits in place with this change in the tax system. I would like to point out to people listening that this is not a process of gathering additional tax. The government has its budget in surplus; it does not need to collect additional money from the Australian people. What Australians need is a change in the tax system. We pay too much tax. What is offered to people in long-term stay caravan parks is an opportunity to be compensated for the change in the tax system. I have here a table produced by the Treasury. It shows what the changes would be like for pension increases if that were to happen in the month of March 2000. The
payment last year for a single service pension was $360.40. That will immediately increase by $14 on 1 July—that is, if the conditions on 1 July are as they are today. It could well be more than that if inflation is slightly higher. For 100 per cent general rate pension, the increase will be from $244.70 to $254.50, and a war widows pension will increase from $385.40 to $400.80.

Those are the immediate increases that will come into place on 1 July. In addition, for people who are entitled to rental assistance, there will be a seven per cent increase in rental assistance, plus an indexation factor. That is compensation and I think that is fair, when we see Woolworths declaring that the average weekly grocery bill will go up by 90c a week. There is going to be a seven per cent increase in the rental allowance and an increase in pensions of somewhere between $10 and $15 a pay if present conditions apply. The government is not about hurting people. The scaremongering that the Australian Labor Party is running is designed to do just that. When you get to 1 July you have not got a feather to fly with in terms of your policy, tax or anything else because, one by one, you have excluded all your options and you are hurting people in the process. Do you think that is smart politics? Time and again the government has made commitments and promises and it has fulfilled its promises to the letter. Sometimes it has been hurtful to do so and sometimes the Senate has interrupted the process, but at least we tell people ahead of time what our intention is. We tell people ahead of time what the processes are that we are going to use, and we tell them ahead of time what their expectations should be. We have some visions and some plans and we want the Australian people to share them. But you have to be honest in this process as well. That is more than I can say from the perspective of the Australian Labor Party. It is promising to roll back an imaginary tax that nobody now understands because nobody knows what it has left in there.

The government has made provision for self-funded retirees, with bonus payments and concessions. Part-pensioners are also looked after under the compensation package that the government is offering. Despite the concerns that people may have about their rental situation, which are whipped up in a popular way, this government has taken account of all those people, no matter what their circumstances. As an alternative, I would warn them about what they could expect from the Australian Labor Party. They need to watch what they are getting into by supporting a person like the member for Grayndler. Over the last few days the Manager of Opposition Business, Mr McMullan, has been saying that the GST will be good for exports. He is agreeing with part of the goods and services tax.

Mr Horne—We are talking about manufactured homes and rent.

Mr CADMAN—The member for Lilley, one of the opposition’s frontbench spokesmen—neither the member for Paterson nor the member for Grayndler is on the frontbench—has been saying that he wants the GST repealed, until we come to midnight on 30 June. But, switch over to one minute past midnight on 1 July, he wants to keep the goods and services tax. That is the view of the member for Lilley. The member for Werriwa wants a GST-free area. He wants to isolate things, in the way in which the opposition has suggested today, from the goods and services tax. We saw the Australian Democrats trying to do that with food and the difficulty, with those marginal areas, of finding exactly what is in and what is out of a goods and services tax.

The member for Griffith wants to have good OECD practice in the things that the Australian Labor Party does. The Leader of the Opposition wants to roll back the goods and services tax. What they have done is exclude their options. Who is ever going to believe anything they say? There is no unified approach to this process. There is no policy. We have policies and we are implementing those policies. We made commitments prior to the last election. We fought a hard election and won that election on the issues that were raised with the goods and services tax. That is something on which the Australian people will never be able to trust those opposite. They are all over the place in making declarations about what is in and what is out and they cannot come together in unity, knowing
exactly what they stand for. We have thought about the rental situation for all Australians. It is fair and it treats all Australians equally. As to the area that the member for Grayndler is concerned about in today’s matter of public importance, we have given thought to that. We have provided a concession and an opportunity for choice. What better opportunity could there be for choice for those who are renting and those who are providing the rental to choose which suits them best, which provides the best and the fairest rental system, and what is going to be the most beneficial for the residents of caravan parks?

This matter of public importance is a whipped-up issue which is designed only to hurt people. I am resentful of the member for Grayndler for doing that because he is creating hurt and pain where there was not hurt and pain before. He is providing difficulty where there is not difficulty. We have put in place not only a thoughtful package but also generous compensation. I have read out the figures to the House. Anybody who would like a copy can have one. I repeat that the single service pension would be up by $14.50 were it to apply today. The 100 per cent general rate pension will rise from $244.70 to $254.50. The war widows pension—goodness knows, those ladies deserve all the support they can get—will rise from $385.40 to $400.80. That is a large increase. There is also a seven per cent increase in the rental concessions. The concessions and support offered by this government to increase pensions and all allowances by four per cent, to compensate low income people and others expecting price increases, have been legislated for. The measures have gone through the House. There are income tax cuts for families and for people who have part-pensions and are part-supported by income. There are also benefits in the government’s package for many residents of long-term commercial accommodation such as this. Finally, I believe that pensioners living in caravan parks will be better off under the new tax system.

Mr Albanese interjecting—

Mr CADMAN—Add the whole package together, my friend, instead of picking out a small part that you think is seductive for your political purposes. Instead of picking out a small part, put the total package together and you cannot but agree that this is a thoughtful package designed to assist all Australians, particularly those who are on pensions and those who happen to reside in caravan parks.

Mr HORNE (Paterson) (4.15 p.m.)—If ever there was an issue that shows how much out of touch with mainstream Australia this government is, this is it. Not only have we just had the member for Mitchell telling us, ‘You must be honest. You must tell them ahead of time,’ but we also had the Prime Minister today saying, ‘But these people will get income tax cuts.’ It just goes to show how much out of touch the government is. Before I get on to that, let me remind everyone in the House of what happened in the last week of January, when a message came into the Prime Minister’s office to say, ‘Get out there. Get out into the bush and find out. There is a bit of opposition to us.’ He put the Akubra on and out he went. He went to Richmond. He told us today he got a very warm reception. I bet he did. They would have roasted him! There are 6,000 people up there who live in permanent, manufactured homes. They would have told him, ‘Before the election, you promised there would be no GST on rent. And what is happening to us? There is a GST on our rent. Why are we being singled out? Why are we the only group of people that will be paying a GST on our rent?’ The Prime Minister and obviously the member for Mitchell do not understand that most of these people are pensioners. They do not pay income tax but they will be paying a GST on everything they spend, on everything they buy. They were promised by this government that there would be no GST on their rent. Now they find out that was not a core promise. We were wrong. The Minister for Trade, Mark Vaile, the member for Lyne, said, ‘You won’t pay it.’ But—surprise, surprise—they are going to pay it. You have the member for Mitchell saying, ‘Well, they have a choice.’ What do you mean by ‘they have a choice’? If your landlord says, ‘I’m going to charge you five per cent GST on your rent,’ can you say, ‘Well, I choose not to pay it’? It will be the choice of the landlord and no-one else.
Let us talk about the hundreds of thousands of people around Australia that are being affected by this. Today’s debate goes beyond an unfair tax set to breed disadvantage. It goes beyond GST. It goes right to the heart of what this current government holds as an ideological banner. That banner is tax reform—tax reform at all costs—and the cost is great. With this government, if you are successful financially, you are rewarded. But, if you are not so fortunate, you are punished. It is simple but it is a basic truth and it is becoming more and more visible in the social fabric of this country. As I said, we are talking about a group of people that do not pay income tax. These ideological values held by the federal government impact on the people of my electorate and I do not like that at all.

There are many people in Paterson and other beautiful parts of Australia who choose for lifestyle reasons to live in a manufactured home park. That is something that members in the government do not understand. They own their own homes. They maintain their own homes. They insure their own homes. But, for some reason, they are being singled out to pay an unfair GST on site fees. The federal government has an acute lack of understanding about the impact of this tax on fixed income earners. There is no apparent concern amongst the government that these people will pay an extra $200 or so in rent. This may not sound like much to a Prime Minister, but it is a considerable amount of money when you are considering whether or not you might be able to register your car this year and where you are going to get the money from.

The people that I represent would also like to know why they have to pay a GST on site fees for a permanent holiday van. Many people in my electorate have permanent caravans on sites near the coast. That is all they can afford. They cannot afford a unit up at the Gold Coast or Coffs Harbour or any other resort town. All they can do is buy a caravan and put it permanently on a site where they can take the kids for a holiday at the coast maybe once a year or the odd weekend. They are also going to be hit with the GST, but the rich bloke that owns a holiday unit on the coast will not be hit with the GST because he owns it. Where is the foresight and vision of a government that continue to blinker themselves from what is really going on out there? It is no wonder John Howard put that Akubra on when he went around the country, because I dare say the light would have blinded him. It is so long since he had been out there that he would not have recognised Australia, so he put the hat on to keep the sun out of his eyes. In 1998, John Howard and Peter Costello promised the people of Australia there would be no GST on residential rents. The words ‘unless it appears that you live in a manufactured home, and then you will pay five per cent GST’ must have been in fine print.

In 1998 John Howard and Peter Costello convinced pensioners they would be compensated for the impact of the GST. That has not been forthcoming either. It appears now that the only people to be compensated are those with funds in the bank. We have heard about the compensation—the investment allowance. Let us talk about it. If you have $25,000 invested and you are a pensioner, you will get the full $1,000. How many of these people that we are talking about who live in these manufactured homes will have $25,000 invested? I can tell you: a very small minority, if any. The majority of them will be lucky to have the $3,000 necessary for their funeral and maybe an extra $1,000 put away in case the fridge blows up or they need a new oven or something like that. They were promised compensation, and they are not getting it.

The Prime Minister and the member for Mitchell talk about caravan parks. Have they ever been into one? I know they are named caravan parks, but there are some in my electorate where, if you front up there with your yuppie four-wheel-drive and your you-beaut caravan, they will not let you in because they do not have sites for caravans. These are not caravans we are talking about; they are manufactured homes that are moved there on the back of a truck. They are fully plumbed, they are set up on brick and concrete foundations and they have substantial gardens and yards around them, yet they are identified as caravan parks. There is no such thing: that is a misnomer. They are the permanent residences of people who have cho-
...sen to live that lifestyle. They wanted to be there because they did not want the family home that needed maintenance. They wanted to make the choice and to say, ‘We’ve got to that stage where we will go and live near the coast to enjoy the declining years of our lives. We will be surrounded by other people. We will have the comfort and security of living in a managed estate.’ That is what these are—managed estates. But those people own their homes and they are being victimised for that.

I do not have to remind members of what the member for Lyne said before the last election, because we know now that that was a lie. It was an absolute lie. It was not a core lie—it was an absolute lie. What happened to that promise? Was it like the no petrol price rise with the GST? Or was it like the no GST on nursing homes? Was it the same as those promises? We find now that there is a litany of these promises consistently being broken by this government as it rolls out its GST. It is continually rolling it out, continuing to affect those areas where it promised, before the last election, that there would be no effect. Is the GST on manufactured home parks sitting somewhere uncomfortably with all of those broken promises? Of course it is.

The people I represent are not only angry about this—they have gone beyond that; they are scared. They are scared because the government has let them down and because the government has broken a promise to them that was supposedly set in concrete. They do not know where they will get that extra money from. All they know is that after 1 July there will be an extra account to pay. They will not be getting any income tax reduction because, as I said, the vast majority of them do not pay income tax—and this government could not care less. This is a government that is completely intransigent over this, this is a government that is completely inhumane over this and this is a government that will be condemned for it. (Time expired)

Ms JULIE BISHOP (Curtin) (4.25 p.m.)—If ever it were to be underscored that this is just another scare campaign by Labor—just another shallow example of misrepresentation and misleading statements to scare people about the impact of the new tax system—it has been in this debate. I am indebted to the member for Werriwa for giving me an opening line for the debate this afternoon, when he said:

The Federal Opposition has not had many happy headlines in recent weeks about our plan to roll-back the GST.

Happy headlines indeed! How about some policy? Do not worry about your headlines; how about some policy—any policy—on tax reform?

Mr Horne—Mr Deputy Speaker, I raise a point of order that goes to relevance. We are debating a GST on rents.

Mr DEPUTY SPEAKER (Mr Jenkins)—The honourable member for Curtin will continue.

Ms JULIE BISHOP—That will not get him a happy headline. Since the Leader of the Opposition was presented some weeks ago in question time with a blank sheet of paper on which to pen the obviously non-existent ALP policy on tax reforms, we have heard very little from the opposition on the GST. This is the very same Labor Party that is so opposed to the GST that if it were ever elected to govern, it would keep the GST. This is in line with its record on tax—a party of broken promises and higher taxes. The Labor Party will keep the GST, it will roll it back and then it will increase income taxes. Now that the self-evident truth is out there that Labor is so opposed to the GST that it would keep it if it ever got to govern this country, we now have the young turks of the ALP rushing to fill in the blank sheet of paper, that sheet of paper that is still sitting there before the Leader of the Opposition as he ponders just what to write. ‘How do we roll it back? Where do we roll it back?’ he is pondering.

The ego driven intellectualising that poses as policy debate that is being played out by the members for Werriwa and Griffith via our daily newspapers in fact does nothing more than prove that there is no coherent, cogent ALP policy on tax reform. I followed the posturing in the first two articles as the respective opposition members called each other’s contribution to the ALP policy vacuum ‘loopy’, but it seems the debate has now
descended into a spat in terms of who can call the other loopy more times in more newspapers. I would have thought that we could expect more from these so-called ALP thinkers. They both know that this country needs a broad based tax to replace the wholesale sales tax and the embedded tax regime. They both know that the wholesale sales tax regime was introduced at a time when Australia was a goods based economy back in the 1930s. We are now a service based economy. Wholesale sales tax is an outmoded system and they know that. For decades now, and increasingly so, we have been a service based economy, and services have not been taxed. The burden was centring on income tax on a shrinking base of taxpayers. We had to move to a new system for fairness and for equity, and Labor knows it. Its supporters should not be fooled—Labor wants a GST. Make no mistake about that—Labor wants a GST.

We welcome to Canberra today the Prime Minister of Ireland, Bertie Ahern. He will be extolling the successes of the Irish economy—and so he should. An extraordinary performance, could I suggest, equalled only by that of Australia under the Howard government. But let us not forget that the Irish economic miracle has occurred with tax reform as a vital component to its success. Ireland has a VAT, a GST; Ireland has delivered tax cuts; Ireland has committed itself to cuts in corporate tax rates and to a capital gains tax. It has been a recipe for success and one which the Howard government will implement with greater success and with benefits to all Australians.

ALP backbenchers have today tried to fill in the policy vacuum with this debate, but the opposition are simply not comparing apples with apples when they talk about long-term accommodation in caravan parks and the rental of housing accommodation. They are two distinctly different types of long-term accommodation, as they well know and as the people who live in the different types of accommodation well know. The opposition acknowledge that many people who live in caravan parks have made a choice to do so—for lifestyle, for close proximity to beaches, hills or other geographic reasons or for the community spirit that is very much closer in many caravan parks than it is in some conventional neighbourhoods. This goes against their spurious arguments. Such people have made a choice not to live in standard residential housing. So why are the opposition trying to scare people? Labor are trying to frighten people and use people’s fears to try and secure this happy headline they are seeking. That is what they seek in lieu of cogent policy—just a happy headline.

There are those who do not have the choice and who live in caravan parks because of financial constraints, and these people will be compensated. Long-term caravan park and boarding house residents will not be disadvantaged compared to tenants in residential housing. It has always been the government’s intention that long-term caravan park and boarding house residents will not be disadvantaged compared to tenants in residential housing. For this reason, we have provided a way to keep such rents down. To paraphrase Labor thinkers, it is ‘loopy’ to suggest that the government has not considered this. The two options exist because we recognise that there would be additional administrative costs for caravan parks that have a mixed composition of residential arrangements. These two options have been made available to proprietors. First, they will be able to choose not to charge GST on the rent of long-term caravan park residents. In this circumstance, they will not get back the GST they pay on inputs used to provide the long-term accommodation. This option is exactly the same GST treatment as will apply to other residential housing.

Mr Albanese—What did Larry say?
Ms JULIE BISHOP—Member for Grayndler, it will be exactly the same.
Mr Albanese—They are going to call in and see you!
Ms JULIE BISHOP—While I see the member for Grayndler smirking down there, I note his attack on members of this side of the House who work hard to represent their electorates. His comments that the members for Gilmore and Richmond will not meet with the people who turned up at the ALP rally are totally wrong. The people sitting in
the gallery, accompanied by the member for Werriwa, had not approached the members for Gilmore or Richmond or their offices for a meeting today. The members for Richmond and Gilmore have met with hundreds of residents concerned about this issue in their electorates.

The alternative option that proprietors will be able to choose is to charge the GST on only half the rent. If they do this, they will be able to claim back the GST they pay on all their inputs. This might be a novel concept, so I will go through it slowly. This will enable them to have lower costs and offer long-term caravan park residents the lowest possible rent. The government sees this as an incentive for proprietors to choose whichever option provides them with the lowest cost and long-term caravan park residents with the lowest rents. So caravan park operators will have cost reductions associated with the services they supply to their residents which they should pass on as lower increases in rents.

Mr Billson—Can you explain that?

Ms JULIE BISHOP—I am going through it slowly. For example, water supply, sewerage and drainage should see a 4.1 per cent decrease. Communications services should also see a 4.1 per cent decrease—and the list goes on. In addition to these arrangements to help residents, there are generous compensation measures. This is a concept totally foreign to Labor. They increased wholesale sales tax by stealth but not once did they ever compensate for their increases in taxes. We are introducing generous compensation measures that will apply under the new tax system from 1 July this year. For example, the maximum rent assistance rate will be increased by seven per cent and indexed to keep pace with prices. There will be an increase in pensions and allowances by four per cent to compensate low income people for other expected price increases.

Let me remind the House of the $12 billion in income tax cuts. Of course, it is a matter the Labor Party have conveniently omitted. There will be $12 billion in income tax cuts each year, and 80 per cent of Australians will be paying no more than 30 per cent as a top marginal rate. These increased benefits, as well as the $12 billion in income tax cuts, will provide a buffer to ensure residents will be better off. (Time expired)

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The discussion has concluded.

MATTERS REFERRED TO MAIN COMMITTEE

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

That:

(1) the following bills be referred to the Main Committee for consideration:

Road Transport Charges (Australian Capital Territory) Amendment Bill 2000
Interstate Road Transport Charge Amendment Bill 1998
Interstate Road Transport Amendment Bill 2000

(2) the following orders of the day, committee and delegation reports, be referred to the Main Committee for debate:

Standing Committee on Primary Industries and Regional Services—Report on shaping regional Australia’s future— Motion to take note of paper: Resumption of debate; and

COMMITTEES

Selection Committee

Report

Mr NEHL (Cowper) (4.37 p.m.)—I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members’ business on Monday, 3 April 2000. The report will be printed in today’s Hansard and the items accorded priority for debate will be
published in the *Notice Paper* for the next sitting.

*The report read as follows—*

*Report relating to the consideration of committee and delegation reports and private Members’ business on Monday, 3 April 2000*

Pursuant to standing order 331, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members’ business on Monday, 3 April 2000. The order of precedence and the allotments of time determined by the Committee are shown in the list.

**COMMITTEE AND DELEGATION REPORTS**

Presentation and statements


The Committee determined that statements on the report may be made—all statements to be made within a total time of 20 minutes.

Speech time limits—

Each Member—10 minutes.

2 **TREATIES—JOINT STANDING COMMITTEE:** Report 30—Treaties tabled on 8 and 9 December 1999 and 15 February 2000.

The Committee determined that statements on the report may be made—all statements to be made within the time remaining prior to 1.10 p.m.

Speech time limits—

Each Member—5 minutes.

**PRIVATE MEMBERS’ BUSINESS**

Order of precedence

Notices

1 **Mr Georgiou** to move—

That this House recognises that:

1. the Parthenon marbles are part of a unique cultural treasure that is an intrinsic feature of the Parthenon in Greece;
2. the architectural and cultural integrity of the Parthenon continues to be compromised by the fact that the marbles cannot be viewed in close proximity to the Parthenon;
3. the Government of Greece has guaranteed the safe preservation of the Parthenon marbles should they be returned to Athens; and
4. every effort should be made by the United Kingdom to facilitate the return of these items of immense cultural value to the people of Greece. (*Notice given 6 March 2000*)

Time allotted—private Members’ business time remaining prior to 1.45 p.m.

Speech time limits—

Mover of motion—10 minutes.

First Opposition Member speaking—10 minutes.

Other Members—5 minutes each.

The Committee determined that consideration of this matter should continue on a future day.

2 **Mrs Irwin** to move—

That this House:

1. notes the increase in deaths caused by heroin and the increase in the number of first-time users under 25;
2. notes the positive results in the use of Naltrexone in the treatment of heroin dependence for some addicts; and
3. regrets the recent decision by the Pharmaceutical Benefits Advisory Committee to exclude Naltrexone from the Pharmaceutical Benefits Scheme other than for the treatment of alcohol dependence. (*Notice given 15 February 2000.*)

Time allotted—30 minutes.

Speech time limits—

Mover of motion—10 minutes.

First Government Member speaking—10 minutes.

Other Members—5 minutes each.

The Committee determined that consideration of this matter should continue on a future day.

3 **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 dis-
close 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. (Notice given 9 March 2000.)

Time allotted—remaining private Members’ business time.

Speech time limits—
Mover of motion—10 minutes.
First Opposition Member speaking—10 minutes.
Other Members—5 minutes each.

The Committee determined that consideration of this matter should continue on a future day.

BILLS RETURNED FROM THE SENATE

The following bills were returned from the Senate without amendment or request:
Superannuation Supervisory Levy Determination Validation Bill 1999
Life Insurance Supervisory Levy Determination Validation Bill 1999
Authorised Non-operating Holding Companies Supervisory Levy Determination Validation Bill 1999
General Insurance Supervisory Levy Determination Validation Bill 1999
Retirement Savings Account Providers Supervisory Levy Determination Validation Bill 1999

MIGRATION LEGISLATION AMENDMENT BILL (No. 2) 1999 [2000]

First Reading
Bill presented by Mr Ruddock, and read a first time.

Second Reading

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs and Minister Assisting the Prime Minister for Reconciliation) (4.39 p.m.)—I move:

That the bill be now read a second time.

This bill implements a number of the government’s policy initiatives within the Immigration and Multicultural Affairs portfolio. These initiatives will further ensure the integrity of Australia’s immigration laws. Most of the initiatives flow from the government’s stated policy to restrict access to judicial review in visa related matters ‘in all but exceptional circumstances’. There are also a number of technical amendments in the bill.

The government’s policy commitment to restrict access to judicial review in visa related matters was given in light of the extensive merits review rights enshrined in the Migration legislation. Furthermore, the government is concerned about the ever increasing cost and incidence of migration litigation, with its associated delays in the removal of non-citizens from Australia. The cost to my department of all migration litigation was more than $11 million last financial year, with a projected cost of more than $20 million in the 2001-02 financial year—and those figures do not include the operating costs of the courts.

A bill to implement the government’s policy commitment was introduced into parliament in June 1997 and was subsequently passed by the House of Representatives. However, the bill was awaiting debate by the Senate when the parliament was prorogued for the 1998 federal election. The bill—now called the Migration Legislation Amendment (Judicial Review) Bill 1998—was reintroduced into the Senate on 2 December 1998, where it is currently awaiting debate. That bill contains a privative clause which would greatly reduce the grounds of judicial review in visa related matters before both the Federal Court and the High Court, and ultimately reduce the number of non-citizens going to the courts in migration matters. It would also end the current disparity between the grounds of judicial review available before both the Federal Court and High Court, making it no longer attractive for persons to go to the High Court in its original jurisdiction.

While the much needed judicial review bill has not attracted the support of non-government senators, the judicial review amendments contained in the Migration Legislation Amendment Bill (No. 2) 2000 are not—I repeat not—a substitute for those in the judicial review bill. Members opposite will have to make their minds up on that issue in a substantive way when it is dealt with before the Senate.
These new legislative initiatives address a disturbing trend which has seen court challenges in migration matters being made by way of class or otherwise grouped actions. The government believes class actions are being used to encourage large numbers of people to litigate with the view to obtaining a visa—not because they have a lawful entitlement to be here but in effect a bridging visa. In fact, there are examples of advertisements placed in ethnic community newspapers using the eligibility for a bridging visa as a selling point for joining the class action.

The changes in this bill are necessary to combat the recent increase in the use of class actions in this way for people with no lawful authority to remain in Australia to prolong their stay and frustrate removal action. Other than through litigation, most of those people would have no other way of obtaining authority to remain in Australia and would otherwise have to be removed.

Since October 1997, 14 class actions have been taken out, allowing significant numbers of people to obtain bridging visas to remain in Australia until the courts determined the matter. All 10 of the class actions decided so far—involving about 4,000 participants—have been dismissed by the courts. A further 3,500 people are participants in four class actions currently before the courts. Some of those class actions have involved challenges to the validity of the Migration Regulations 1994 by persons who have not even been the subject of a relevant visa decision. Even where members of a class action are the subject of a relevant visa decision, there is reason to believe that a significant number of these persons would be out of time to directly challenge the decision in the Federal Court.

Overall, this is a disturbing trend given the government’s policy objective to restrict access to judicial review in all but exceptional circumstances. I accept that there may be sound policy reasons for the availability of class actions in some matters in other areas of policy. But, while class actions might well be appropriate in allowing individuals to sue large organisations in expensive consumer related actions, they are inappropriate in relation to migration matters.

The government believes that, in the migration area, such actions are causing a substantial number of persons to litigate who would not otherwise do so, merely to get a bridging visa to prolong their stay in Australia. Despite the fact that a bridging visa has a no-work condition, some may even be working illegally. Therefore, the provisions in this bill generally bar class actions in visa related matters before both the Federal Court and the High Court of Australia. To deter any attempt to promote a rush of class actions before these amendments are passed, the provisions apply to all court applicants or applications made on or after today. The government does not wish there to be any encouragement of entitlements for persons to commence class actions between now and when the legislative amendments come into operation.

The provisions in this bill also limit standing to commence or continue visa related proceedings in the Federal Court where there is a person who is the subject of a decision or action. Because of constitutional complexities, the bill does not impose similar limits in relation to the High Court’s original jurisdiction under section 75 of the Commonwealth Constitution. However, the bill does stop the High Court from remitting such cases to the Federal Court, to prevent persons circumventing the restriction directly imposed on the Federal Court.

As I indicated earlier, while access to bridging visas acts as a pull factor, encouraging persons to take part in court actions merely to prolong their stay in Australia, denying access to bridging visas to litigants is not the Commonwealth’s preferred option. Many such persons would, I believe, still take court action even if access to bridging visas were denied. Another impact would be that those persons would be unlawful non-citizens and section 189 of the Migration Act would require that they be taken into detention, which would present particular difficulties. Looking at the economic grounds alone, that would put an additional strain on existing detention facilities and would result in detention costs which, while liable to be paid by the detainee, are rarely recoverable in practice. The removal of class actions com-
implements measures that the government currently has before the Senate in the judicial review bill. I urge the opposition to allow the government the tools to address the serious and continuing problem of misuse of judicial processes by non-citizens refusing to leave Australia.

Schedule 2 of the bill makes a number of technical amendments to the Migration Act, one of which I wish to note. The amendments to section 501A clarify the original policy intention behind the Migration Legislation Amendment (Strengthening of Provisions Relating to Character and Conduct) Act 1998. The amendments put beyond doubt that the minister can, in the national interest, substitute his or her own section 501 decision for that of a delegate or the Administrative Appeals Tribunal. I commend the bill to the chamber and table the explanatory memorandum.

Debate (on motion by Mr Martin Ferguson) adjourned.

TAXATION LAWS AMENDMENT BILL (No. 5) 2000
Second Reading

Debate resumed from 13 March, on motion by Mr Slipper:

That the bill be now read a second time.

upon which Mr Kelvin Thomson 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) expresses its concern with the fundamental unfairness of the Government’s approach to taxation generally and the fundamental unfairness of a goods and services tax, including the heavy compliance burden on small business, and in particular the Government’s decision to tax health items including, for the first time in fifty years, taxing tampons and sanitary pads; and

(2) calls on the Treasurer to amend the GST legislation or the Minister for Health to honour the Government’s pre-election promise that health products would be GST-free by including tampons and sanitary pads in the Minister’s determination”.

Mrs MOYLAN (Pearce) (4.49 p.m.)—One of the great benefits of the Taxation Laws Amendment Bill (No. 5) 2000 is that it Amendment Bill (No. 5) 2000 is that it recognises the challenge faced by people with a disability of maintaining maximum mobility. More than 3.5 million Australians, representing 19 per cent of the total population, have a disability. Improving accessibility to transport will be welcomed by many who are wheelchair bound. There are many challenges for people with a disability, and mobility can be their main lifeline to being able to fully participate in community life. Vehicles for people with a disability requiring wheelchair access most often have to be modified to a standard appropriate to their needs. This amendment allows goods used in modifications to be purchased free of sales tax. It therefore overcomes an inconsistency in the sales tax treatment of modifications to vehicles to adapt them for driving by, or the transporting of, disabled persons.

The government made the announcement to amend this law in November last year, and the amendment will apply to any dealing on or after 26 June 1998—the date the New South Wales government announced the release of 400 additional wheelchair accessible taxi licences. This amendment will encourage the supply of purpose-built vehicles for disabled people. In particular, it will provide for the requirements of disabled participants and indeed spectators, at the Sydney Paralympic Games later this year. It has particular application to taxis designed for transporting wheelchair-bound passengers. The measure will apply to both vehicles designed for driving by a person who has a physical impairment and vehicles designed for the transportation of a person with a physical impairment.

This is a welcome amendment, given that the Paralympic Games are so close and are drawing near very quickly. There is a critical need to ensure adequate transportation for people with a disability. This is a very good measure for, as I said, participants and spectators who are wheelchair bound. I am sure that many people in this place have in the past seen the sheer determination and courage of Paralympic participants. Those performances have thrilled all of us that have watched them either at the event or on TV. We certainly look forward to being able to
witness similar outstanding performances at the Sydney games.

In recognition of the importance of people with a disability having access to a full range of facilities in the community, the Minister for Family and Community Services announced the Gold Medal Disability Access Strategy. This is also a very welcome announcement. The aim of this initiative is to raise the awareness of the Australian business community in particular to the benefits of improving access to facilities, goods and services for people with a disability in the four key areas of employment, tourism, premises and transport. There is no doubt that we have really made very good progress in considering people with a disability in many of these areas. Often it takes not a great deal of expense but a little extra thought to consider people with a disability when planning buildings, services and facilities. The demand for disability friendly services and facilities will naturally increase during the Paralympic Games, with the influx of a large number of visitors. It is pleasing to see this initiative and the amendments to taxation which benefit people with a disability. Despite the great progress that we have made in making provision for people with a disability in the community, we still seem to have quite a long way to go. However, with the cooperation of governments at all levels and of private enterprise, the quality of life of people with a disability can be improved significantly.

One of the other parts of this bill is employee shareholding. This is a subject that has been really dear to my heart since I came into this parliament in 1993. I came in with a commitment to small business and I believe that any measure that would increase employee investment in industry would pay dividends in terms of unlocking an additional source of capital, job satisfaction and a sense of ownership by many employees in many companies. We have seen some spectacular successes in this area, and in fact one of those was a West Australian company. More and more businesses, large and small, have recognised the benefits of employee shareholding schemes and it makes good sense to have people employed in a business also own a stake in the business. It is therefore important that our laws do not unintentionally, or indeed intentionally, deter employees from such schemes. So this part of the bill seeks to provide an alternative method for determining market value where shares or unlisted rights are acquired by an employee in association with a public offer of shares in a listed public company.

The market value of a listed share or right is determined by reference to the weighted average of the prices at which the shares were traded during the one-week period up to and including the day of acquisition. This method, though, gives rise to uncertainty and inequitable taxation treatment for employees. By using the public offer price for determining market value, it is possible to overcome an artificial discount price which occurs where the weighted average price is greater than the public offer price. This measure removes uncertainty as employees and employers will be able to assess if the particular scheme falls under division 13A and is eligible for the concessions under this division and the capital gains exemption for transferring shares held by a trust to an employee. Employees will be much better able to understand the tax implications of their investment decision as a more accurate assessment if the assessable discount can be made. That is a pretty important point because under the old scheme, the one that this amendment affects, that is quite difficult for an employee to achieve. To qualify, an employee share scheme must be offered in association with a public offer of shares in a listed public company.

In providing an alternative method for determining the market value of shares acquired by employees under certain circumstances, these measures remove the unintended consequences that create uncertainty and inequitable taxation treatment for employees. There will also be greater certainty for employers, who will not have to deal with the fringe benefits tax implications. Employers are also beneficiaries of higher rates of participation by employees when there are no impediments to investing. Employee share schemes are also more attractive when those investing in them can calculate the taxation consequences more easily.
The final amendment in this bill is to closely held trusts and it goes to improve the practical application of disclosures to the Commissioner of Taxation in relation to the identity of ultimate beneficiaries within a specific period after the end of the year of income. This amendment gives the commissioner power to extend the time to lodge ultimate beneficiary statements where there are genuine reasons for an extension. Trustees will be able to make corrections, provided that the changes are made before the ultimate beneficiary non-disclosure tax becomes due and payable or within four years of the tax becoming due and payable. It is also where the trustee believed, on reasonable grounds, that the statement was a correct ultimate beneficiary statement when that statement was made and that unforeseen events led to the need to correct the original statement. There are occasions when this does occur and it is reasonable to make provision for that. In some circumstances, members of a trustee group will have the right to recover ultimate beneficiary non-disclosure tax. That the provisions operate as intended is another element of this amendment. Similarly, the trustees will have formal ability to require a notice of ultimate beneficiary non-disclosure tax liability. These are all very sensible and necessary amendments to the Income Tax Assessment Act 1936 which will improve its practical application.

Finally, in the closing stages of this debate yesterday I listened to quite a bit of criticism of the government over these amendments. It is always easy to stand back and make those kinds of criticisms of new initiatives and to find fault after new legislation has been enacted. The Labor Party is pretty good at that, but when it comes to having policies the Labor Party is very short on ideas and policies of any kind of substance. I think people in the community will welcome the fact, as the government’s policy on taxation is implemented, that members and ministers will be willing to be out there listening to the community and to any concerns about the implementation and that they will take action to remove any unintended consequences of that legislation, because those situations do arise from time to time and there is no shame in examining the legislation and looking at areas where perhaps unintended consequences arise. I think the folk out there must be reassured that they have a government that is thinking ahead and is prepared to take decisions and to act to implement reforms that will ensure sound long-term policies. Overall, these are very sensible amendments to taxation bills that will assist in a smooth and practical application of the laws that are made in this place.

Mr ALLAN MORRIS (Newcastle) (5.03 p.m.)—We on this side of the House were looking forward to a more fulsome speech from the previous speaker, the member for Pearce. We had hoped that the amendments before the House to the Taxation Laws Amendment Bill (No. 5) 2000, and particularly the ones relating to tampons and similar products, would in fact be addressed by some of those opposite, and they had adequate time to do that. It is disappointing, therefore, to note that the speech was cut short and that the issue had been avoided. This has been the situation throughout this whole farcical tax debate. The government constantly pretends that somehow the resentment in the community is created by the opposition and is not of its own momentum. The government’s state of denial is of unbelievable magnitude. The pretence that somehow this is not a real issue, that people are not really concerned and that if it were not for the dreadful Labor Party things would all be hunky-dory is unbelievable fantasy.

I noticed in one of today’s newspapers that the member for Richmond had listed the issues that are of most concern in his electorate. I think he listed the police going to the Olympic Games as being the most important issue and the fourth or fifth most important issue was the GST. He has to be dreaming or he is pretending, because we all know that the GST is the issue in the community—first, second, third, fourth and fifth. Wherever one goes in the electorate all that people want to talk about is the GST. This is not something we are creating. It is not something that the opposition manufactured. It is actually out there and it is of enormous moment. Those opposite might try to ignore it and hope that it will go away, but it ain’t going away—it is
getting worse and worse. The longer it takes
the government to recognise that the issue is
a real issue, the worse it will be for them.

The overwhelming response from the
community on this whole taxation issue is
that they feel betrayed. The people of New-
castle feel betrayed by this government. They
did not particularly vote for the government
but they did not see it as being all that dan-
egorous. They had heard and seen all that stuff
about tax reform in the advertising before the
last election—and the word ‘reform’ means
‘make better’. The government has been
pushing this word for so long that people
were perhaps lulled into a false sense of secu-
ritv, but now they feel deeply betrayed. They
know that it is not a reform. They know it is
not in their interests. They cannot see a bene-
fit to the country from it. All they can see are
problems, and they bring those problems to
us—we are not manufacturing them.

Two accountants came to me last week
and spelled out the problems they see—and
they will make money out of it. They both
admit they will make a fortune. They will
expand their practices quite substantially and
for them it will be very lucrative. But they
feel resentful because they are professionals
who deal with tax week in and week out and
they want to deal with it professionally. They
cannot get answers on a whole range of is-
sues about the application of the GST. Many
of their clients are not registered, and they are
told that the wait for ABNs is now 12 to 14
weeks. One of the accountants rang up and
asked for 130 application forms for ABNs.
He pointed out that because he was filling in
the forms for his clients he did not require the
booklets that come with them—there is a
quite substantial booklet about how to fill the
form in. He thought he would save the gov-
ernment the cost of an extra 130 booklets.
But he received the 130 booklets as well as
the application forms. Then he went through
an enormous drama over some weeks as to
how to lodge the application forms. Do you
know what is going to happen eventually?
They will be lodged handwritten because it is
just too difficult. They can be lodged online
or by hand. The accountant normally lodges
material by disk, but he cannot do that for
ABNs; therefore he is forced to lodge by
hand. This is progress. This is moving for-
ward. This is a professional trying to do a job
for his clients and finding it extremely diffi-
cult.

We sit here week after week, day after day,
hearing the Treasurer rant and rave in almost
hysterical fashion, with a bevy of material—I
suppose most of us find it quite fascinating—
about tax policy and what we think of it. He
knew when he devised this policy that it
would not be able to be undone. When he
broke the eggs to make the omelette he knew
we could not unscramble the eggs. We all
know it is untrue to say that anything gov-
ernments do can be undone, but he has to
realise that the public knows it as well. This
is not just a question of unscrambling the
omelette; it is putting the eggs back in the
shell. That is what he is suggesting. This is a
real Humpty-Dumpty exercise. He is putting
to the public that it is one or the other: it is
either what you have now or a GST. I find
that his belief in his own fantasy is not shared
by the community. Most of us have been here
for some time, and we know that when he
comes in here and rants and raves around the
place, it does not matter out there. They deal
in the real world, not in his fantasies. We
come in here week after week and there are
more and more amendments on the GST. We
have already been through over a thousand
amendments, there are thousands more to
come, and we do not know yet how it works.
I cannot tell constituents in a whole stack of
areas how it is actually going to work.

Mr Lieberman—Which ones?

Mr ALLAN MORRIS—I will give you
an example. An accountant asked the tax of-
office what would happen if a person who has
not applied for an ABN takes out an insur-
ance policy on his house, the house burns
down and he gets a payment for the house.
Because it is a transaction, is there a require-
ment for a withholding tax? He has had two
very definite and opposite answers from the
tax office. He does not know what the answer
is. He has asked the question of two different
expert groups and has got different answers.
And that is happening all the time.

Mr Lieberman—What do you think?
Mr ALLAN MORRIS—I am saying that the government surely knows what it is doing. Surely the government understands its own tax system. But the fact is that they do not. Day after day we hear the Treasurer ranting and raving, obviously from a position of ignorance. We hear backbenchers speaking in debates and carefully avoiding all the real issues. They still call it tax reform, they pretend it is good for the country, and they pretend it is good for people. Let’s think about it: we are going to effectively double the indirect tax take from $15 billion to $30 billion. But instead of 70,000 people collecting it there will be 2½ million people collecting it, on the last reports I have seen. We currently have 70,000 people collecting $15 billion, and under the government’s reform measure there will be 2½ million people collecting another $15 billion. We all know that does not make much economic sense. The cost of collection is 20 to 30 times greater, and yet they pretend it is reform. They think people are stupid. They think that if they say to people over and over again that it is reform, people will believe it. The fact is that people do not believe it. Daily they come to members in their offices, in the streets, in the supermarkets—wherever you bump into people—and all they want to ask about is GST. It is not just the pensioners or the people on low incomes; it is particularly the small business people. Why? Because we are still moving amendments to it. We are still dealing with amendments and we all know there are lots more to come. I wish they would admit how many more there are to come. They probably cannot, because I do not think the government know. I defy any backbencher to tell his electorate now how many more amendments there are to come on this legislation, because you are not game to. You know you do not know, and you know the government does not know. So you come in here every day and go through this charade, this game of pretending this is reform, and all the time you are betraying your own community. And you know it. That is why the last speaker stopped short. There is an amendment before the parliament now that would allow government members to support the removal of a GST on tampons and they will not do it. So all the pretence we had of concern, care and worry has been farcical. It was a betrayal.

In the months ahead, we are going through not the biggest tax reform of all time but the most dramatic tax change. We have never before seen the number of amendments, the level of uncertainty, or the level of confusion. In a few months time there will be a total change to the tax system and not one member of this House can tell his or her electorate how it is going to work. The idea that we are going to exchange a secret, complex system for a simple, transparent system has been shown to be a sham. This is a secret tax, it is a complex tax, and it is an unfair tax. All the government is doing is putting forward more rhetoric, more denial and more pretence.

It is interesting to note how we are now ramping up the agro talk on offences, to try to pretend to the consumers that somehow they will be protected. The victims are again going to be small business and people who are applying the tax. The 2½ million people who are going to become tax collectors at their own expense are going to be told, ‘Not only will you become tax collectors but it is going to cost you money to do it. You cannot recover your costs.’

We had that absolutely ridiculous situation a few weeks ago about the issue of $200 for those who will be collecting. We all know that that is a joke, and so do the people involved, but the Treasurer and the ACCC are now saying to people, ‘You can’t recover the costs that are involved.’ If you could, you could charge more than 10 per cent. We know, on worldwide trends, that the cost of administering a VAT—which is all this is—is between one per cent and two per cent of turnover. That is what it costs to administer. From examples around the world, that is the kind of cost that business is looking at. Business should be able to recover that cost, but the government is saying, ‘No you can’t.’ Not only do you have to become a tax collector and do it for nothing, but it’s going to cost you money because you can’t recover the costs that are involved, let alone the time you spend.’ Why is it doing it? Because it is trying to pretend that people will not be hurt by it. It is trying to pretend that the consumers will benefit, because the message that has
been coming through, and now is finally sinking in, is that people out there are not buying all that rhetoric—all that advertising, all that promotion, all the millions of their money that is being spent to tell them what is good for them. They know it is not, and they are not buying it.

What the government is doing now is switching targets. Now the way to persuade the consumers that the GST is okay is to punish the business people who do not collect it—make them lose more, make them be more out of pocket and be seen to be being tough on them. The threat the other day by the minister of $10 million fines and so on is a load of rubbish. What was he trying to do?

He was simply pretending to consumers that the government was going to make sure that it was minimum cost. If that were followed right through, it would mean that people would go broke. The government has not yet answered the question, in all the cost recovery and charging processes, of the dollar mark-up versus percentage mark-up. We know that for those businesses that operate now with wholesale sales tax—where the shelf price currently includes a wholesale sales tax—the profit margin is worked out on that holding cost. For a business to recover the same amount of gross profit, it will need to increase its percentage margin. We all know that that is the case. The government has been walking around this for months talking ‘on both sides of the street’, which is the current expression from the government about these issues.

On the one hand the government is saying to people, ‘You can’t increase your mark-up,’ but at the same time it is saying, ‘You can still keep your businesses viable.’ If the government insists that those businesses cannot maintain their gross profit levels, a lot of people will go broke. We know that, and the government knows that. It is the kind of issue that is pretty fundamental if the government is honest about what it is doing, but the government is so caught up in its own competence that it lies about everything. We are seeing lie after lie, day after day, yet somehow we are the reason the community is upset about the GST. A parliamentary secretary was in here earlier talking about the GST and suggesting that the only reason that this was an issue was that the Labor Party was raising it. He must have forgotten something along the way, because parliamentarians raise things that are brought to them. You cannot get people to attend a rally or to express a concern unless they have a point of view or a point of concern. If the parliamentary secretary’s objection was correct, it would not be an issue. If it was simply that we were raising it, it would not be an issue, but the fact is that the issue that we are raising is a small part of what we are getting.

We are going to go through a most fascinating period in Australian politics. It is unfortunate that, at the end of all that, the community will be worse off. It is unfortunate that the country will be worse off. We have the daily charade of the Minister for Trade talking about the $3½ billion coming off businesses—that somehow that will solve the problem that exporters may have. He knows, and we know, that that is a massive exaggeration—that any business seriously involved in exporting now can have its wholesale sales tax rebated. We know that; that has always been the case. If they are not receiving the rebate, they are probably getting bad tax advice. The Minister for Trade is also saying that the $3½ billion that is being shifted off business tax is being shifted across to consumers. That is what he is really saying. We know that the $3½ billion is not to do solely with exports; what he is really saying is that consumers will be paying a lot more tax because businesses will be paying less. That is what this is all about.

The great irony is that now business will not be able to recover the cost of collecting the tax, so both sides will lose now. It is ironic that the community thinks business will be better off because it is clearly a tax on consumers, but the government now, in its panic, is making sure that business suffers as well. So both sides of the issue will now suffer. And for what? For the political skin, or the potential political skin, of the government. I think that there was a famous expression about being saved. This issue is one that people will not forgive the government for. There is a sense of betrayal in the community on a range of issues, and this is the biggest
one. There is a sense of betrayal about nursing homes, and we understand why they feel that—it is because they have been misled. There is a sense of betrayal about Job Network—people feel cheated about that. There is a sense of betrayal about the republic. There is a sense of betrayal about a whole range of issues. It is not simply a case of people being angry with the government. It has gone beyond that now.

The issues in recent days with Telstra exemplify that sense of betrayal so clearly. This government has betrayed its community. The community knows that, and feels it very strongly. The next election is going to be fought as much on betrayal as on anything else, because to betray a person is much worse than acting against them or being incompetent. It is much worse than that, because it is about trust. There was a reasonable level of trust between this government and the community back in 1996. A lot had evaporated by 1998, but let me tell those members opposite who are deluding themselves, it has now all gone. The sense of betrayal in the community now is so profound it is almost insurmountable. The least the government members can do is to be honest about it, to own up to what they are doing and to stop trying to pretend that somehow what they are doing will somehow benefit their communities.

This idea of the government that it can actually jawbone the public into believing what it does not believe is of mind-boggling dimensions. As I have said, I think the Treasurer is now on some form of steroids because everyday he prances around like a man possessed—possessed of something. What he is talking about is not real world stuff. I do not know where it is coming from. It must be the polls that pump him up. If he thinks that, by sheer weight of effort, he can talk people into believing him on this issue and into accepting what he is putting forward, he is wrong. The more he does that the more people feel betrayed. It indicates that he does not understand their concerns. He does not understand why they are concerned. He does not understand why they do not believe him, and the more he goes that way the more alienated people become.

The GST is not simply about tax; it is about a way of governing, the people who govern and how honest they are with the people they govern. I think that, having looked at Europe over a number of years, and long before VAT in many countries, this government has not learned its history. It has not learned from its own experiences nor the experiences of others. Remember, this tax came about because the Prime Minister was sick one day, had lost the plot and was doing badly in the polls. He came out of the hospital and announced the GST. That is basically what happened. It was a wonderful diversion at the time but it is now a sad reality of the future. (Time expired)

Mr SNOWDON (Northern Territory) (5.23 p.m.)—Madam Deputy Speaker—

Mr Martin Ferguson—You finally got here.

Mr SNOWDON—Yes, and I am pleased to be here. I have to say that it was a long journey. I understand that quite a few of our colleagues on the other side of the chamber came in to listen, but they did not stay. The bill before us this evening is the Taxation Laws Amendment Bill (No. 5) 2000. It covers three areas of tax law: firstly, an anomaly in the sales tax legislation which would have imposed sales tax on the value of modifications to motor vehicles made for disabled access; secondly, a more beneficial and certain valuation method for certain types of employee share ownership schemes which involve a public offer and which will overcome a potential anomaly whereby employees can face tax on a larger discount than they actually receive; and, thirdly, technical amendments to the ultimate beneficiary provisions, which are anti-avoidance provisions dealing with the chain of trusts.

In the context of the sales tax exemption for car modifications for disabled people, the sales tax law will be amended to ensure that that part of the value of a motor vehicle that represents the additional cost of making the vehicle suitable to be driven by or used to transport a person suffering from a physical impairment will be free of sales tax. The amendment will overcome an inconsistency in the current sales tax legislation. There is an exemption in the sales tax law at the moment
Tuesday, 14 March 2000

in item 98 of schedule 1 of the Sales Tax (Exemptions and Classifications) Acts 1992, which frees from tax any goods—that is, parts—used in the modification of vehicles for a disabled person’s access or use. However, in some cases this benefit is effectively removed as the modifications represent a process of manufacture that renders the value of the modifications being subject to sales tax. The amendments fix this unintended anomaly and are particularly necessary to meet the transport needs of the Paralympics. They were announced last November and apply retrospectively from 26 June 1998, and we strongly support them.

The second of the amendments deals with the employee share scheme. This amendment proposes to insert an alternative method of public offer price for determining the market value of shares acquired under an ESS. This method will be used when a public offer is made on a listed public company and an offer of shares or unlisted rights to acquire shares under an ESS is made in association with that public offer. Currently, market value of a listed share or right is determined by a reference to the weighted average of the prices at which the shares were traded during a one-week period up to and including the day of acquisition. If there is no trading during the period, the price is determined by the Commissioner for Taxation, usually by the public offer price.

Under the new rules, the price will be determined by reference to the public offer price. This is claimed to be fairer to employees as it will eliminate the artificial discounts that can arise under the current rules, which are subject to tax. For example, if a company makes a public offer of shares for $8 and offers the same shares to employees at a modest discount of, say, $7.80 and those shares trade above $8 during the week before the issue of the shares, say, for $8.30, the employer will face tax on $8.30 minus $7.80—that is, 50c—even though the real discount they receive is only 20c. The proposals avoid this anomaly and benefit employees, and we support them.

The last is a technical provision that deals with the ultimate beneficiary provisions. As has been pointed out, the unique aspect of the legislation before the House this evening is the opportunity it provides for our friends on the other side to show their commitment to some sort of equity in the way in which the tax system operates and to support an amendment that will correct the fundamental unfairness of the government’s approach to taxation generally, the fundamental unfairness of a goods and services tax, including the heavy compliance burden faced by small business—a matter that I will come to shortly—and, in particular, the government’s decision to tax health items including, for the first time in 50 years, tampons and sanitary pads. Of course, in the second part of our amendment we call on the Treasurer to amend the GST legislation or for the Minister for Health and Aged Care to honour the government’s pre-election promise that health products should be GST free by including tampons and sanitary pads in the minister’s determination.

I know that this particular issue has exercised the minds of women right around Australia. I understand that one woman, who is a member of this chamber, referred to this as a ‘Barbie Doll’ issue. All I can say is that it is not a Barbie Doll issue. It is an issue that affects the lives of women right around the country. The women I speak to have raised their concerns with me about it. If you look at the importance of these items for the health of women, you need to comprehend that, if the taxation treatment that applies generally as a result of the GST is regressive, it becomes even more regressive when we apply it to products such as tampons and sanitary pads.

It is worth pointing out that people in my own electorate—where income levels are fairly small, particularly for those who live in remote communities—already pay far higher costs than their city cousins for essential goods and services and products such as tampons and sanitary pads. I do not quite understand how members of the National Party can support these sorts of proposals. If you live in an outback area of North Queensland or any small community in the Northern Territory, you are likely to pay substantially more in terms of your total costs than other people in the community. As recently as yesterday, I
mentioned in this House the costs of goods and services in Northern Australia. In 1998, the Northern Territory Department of Health developed a basket of goods which showed that people in north-east Arnhem Land, an area of my electorate, were paying 106 per cent of what the average costs would be across capital cities around Australia. I need it to be understood what that means, because it is clear that the government does not. If you look at the demographic profile of those communities, you will discover that, by and large, their inhabitants are dependent on government transfers in the form of CDP payments or social security benefits of one type or another—that is, these people are least able to afford the increased costs as a result of their isolation and location. That is something which is not addressed by this government, let alone understood. When you look at this very basic issue of tampons and sanitary pads, the women who live in those communities are being expected to bear an additional burden. In the context of the taxation take as a result of the GST—and I am sure that the National Party members do not understand this—people who live in remote communities around Australia will pay more tax as a proportion of their income than any other Australian taxpayer. They will be subsidising the rich people who live in the leafy suburbs of Sydney and Melbourne, such as Hunters Hill. That outlines and really underlines the regressive nature of this tax.

We have had the government toing-and-froing about how important this tax is: what it means to the Australian community; what will be in it and what will not be in it; what anomalies there might be and how they might be addressed. The government claims that health is GST free. Yet we know, as a result of the work of my friend and colleague Mr Emerson, that there are many basic expenses which will be taxed by the GST. These include not only tampons and sanitary pads but also skin creams, feeding pads and breast pumps, baby bottles and cleansing equipment, vitamins and minerals—for example, iron—pregnancy kits, sunscreens below 15+, spectacle frames, contact lens solutions, quit smoking courses, first aid kits, bandaids and bandages—unless they are prescribed by a doctor—antiseptics and lozenges, and many non-traditional health services and medicines. I can understand why the women of Australia are outraged. What I cannot understand is how the women in the coalition have allowed these matters to go unaddressed. I am not sure what happens in the coalition party room, but I know what would happen in the Labor Party party room if any Labor Party Treasurer or shadow Treasurer were to put up a proposition which said that we wanted to impose a GST on tampons and sanitary pads, feeding pads and breast pumps. It is unreasonable that we have the government claiming that health is GST free.

I know that this will affront some of the masculine members of the government, but let me say to them that these are essential items. It is not a question of discretion. They are about women’s health. I am surprised that this issue has not been properly addressed by the government. It is worth while pointing out that when the Minister for Health and Aged Care was confronted with this issue by women in the community he responded with the sort of typical bullfrog approach that he exhibits in this place—grump—and treated these people with disdain. When asked if tampons should be GST free, Dr Wooldridge said:

As a bloke, I’d like shaving cream to be exempt, but I am not expecting it to be ... I wasn’t aware that menstruation was an illness.

I think that says it all. It just shows how insensitive the minister for health is. It shows how insensitive the Treasurer is. It shows how insensitive the Prime Minister is. If the government had any understanding about what makes the world go round in terms of people’s incomes and family budgets, they would soon come to understand that increasing these costs has a disproportionate effect on women and places a disproportionate burden on their families. I would have thought that people in the National Party and the government who advocate support for families around this country would have twigged to this very early on and said to the Treasurer, ‘No, you don’t. This is non-negotiable. Don’t try it on. We are not going to support it.’ After a journalist said to the minister for health, ‘So tampons shouldn’t be exempt because they don’t prevent illness?’ what did this in-
temperate, insensitive, arrogant, bumptious minister for health say:
Well, shaving cream isn’t exempt, soap isn’t, toilet paper isn’t exempt.

In my view, that underlines the way in which this government is approaching the GST issue generally. I think those facts speak for themselves. I cannot comprehend at all how government members have allowed this to get through. However, they will have an opportunity this afternoon if you are not in the chair, to come over to this side of the House and support us.

Mr Emerson—On a matter of principle.

Mr SNOWDON—On a matter of grave principle, you can support us in knocking off this GST on tampons and sanitary pads.

Mr Martin Ferguson interjecting—

Mr SNOWDON—Let us see what our friends in the National Party and on the government benches do about this. As the member for Batman rightly said, this is not an issue about Barbie dolls; this is about real people. This is about real families. This is something that people should be sensitive to.

In the context of this debate, I refer to compliance costs for small business. Again, I am referring to remote Australia. I have had contact with a number of stores in Aboriginal communities. For one of these stores, which has a turnover of between $1.2 and $1.5 million annually, the start-up costs—these are not the ongoing recurrent costs that will attach to GST compliance—will be around $50,000. Someone will have to bear these costs. The cost of food in these communities, as I have said before, is far higher than is the case elsewhere. Indeed, you would not believe how high it is in many of these communities. It is far higher than anywhere else in Australia. Yet these communities are going to be saddled with increased costs passed on to them, as consumers, as a result of the GST start-up costs and the ongoing compliance costs. I do not think that is fair and I do not think it is reasonable. The people in my electorate do not think it is fair, nor do they think it is reasonable. They also said, ‘We get $200 for this. What do we do with it?’ Most of them would like to send it back because it is an absolute insult for these communities, and it is an insult for small business generally. The amendment which we have placed before the House gives government members an opportunity to show what they are made of by supporting it.

A matter which I did want to talk about, but I will not have the opportunity to do so now, concerns Australian business numbers. It seems to me that the government has lost the plot with ABNs. I wonder what will happen when a company starts up some time in June and seeks to get an ABN so it can operate in July, August or September, and how it will be treated when it approaches the Australian Taxation Office. We have been told already in the Northern Territory that the waiting list for an Australian business number is between six and seven weeks. People are very discouraged. Of course, these are the people whom the government says it wants to represent, and does represent. In this context the people it is penalising are those in small business. I would have thought that if the government were at all sensitive to the problems of small business it would have addressed this issue. Instead, it has left questions open. When people ring the 1800 number, what do they get? They get non-answers to satisfy their concerns or their demands.

The whole GST package is a farce. The GST legislation is inappropriate. Madam Deputy Speaker, I would ask you to ensure that you and all your colleagues on the government side of the House contemplate, and indeed take the action of, voting for the opposition amendment.

Mr EMERSON (Rankin) (5.41 p.m.)—The opposition supports the Taxation Laws Amendment Bill (No. 5). We have also proposed the second reading amendment that has been outlined, including by my colleague the member for the Northern Territory, which relates to the fundamental unfairness of the GST and, in particular, the taxation treatment of tampons. All Australians will recall the $19 million taxpayer funded advertising campaign launched by the government before the last election when they were trying to sell the GST to the Australian electorate. A key part of that advertising campaign was the
statement, often repeated, that health was GST free. Nothing could be further from the truth. It is only now that the Australian people have come to learn that truth—that health is not GST free at all, just as education is not GST free.

Among the basic health items that are not GST free—that is, that will be subject to the tax—are skin creams, feeding pads and breast pumps, baby bottles and cleansing equipment, vitamins and minerals, pregnancy kits, sunscreens below 15-plus, spectacle frames, contact lens solutions, quit smoking courses, first aid kits and bandages—unless they are prescribed by a doctor—antiseptics and lozenges and many non-traditional health services and medicines, to name just a few. What serious government would continue to claim that health is GST free? Yet that is precisely what this government claims.

Among those health items that are not GST free are tampons and sanitary pads. That is the basic reason for Labor moving the second reading amendment. When the deal was done between the Leader of the Australian Democrats, Senator Meg Lees, and the Prime Minister to bring in this iniquitous tax, the Democrat leader said that she was unaware that tampons were not subject to the wholesale sales tax. Tampons have been tax free for 50 years. The Leader of the Australian Democrats had been contacted before making that deal with the Prime Minister and advised that tampons were not subject to the wholesale sales tax and that, if they were to be subject to the GST, it would be the first time in 50 years that they were taxed. The Democrat leader ignored that advice and then quite plainly, without blinking, subsequently said, ‘I didn’t know that was a fact.’ Of course she knew it was a fact. But she proceeded to an agreement that imposed the GST on tampons and sanitary pads. That is why we have moved a second reading amendment—to give the Treasurer or the health minister the opportunity to make tampons GST free. The Treasurer can do it through amending the legislation. The health minister can do it by simply including tampons in a list of GST-free items. The health minister of the Australian Commonwealth has indicated that he is unwilling to do that and the reasons are just breathtaking. When he was asked whether tampons should be GST free, the health minister said:

If I was a bloke, I’d like shaving cream exempt, but I’m not expecting it to be ... I wasn’t aware that menstruation was an illness.

The journalist said:
So tampons shouldn’t be exempt, because they don’t prevent illness?

And the health minister, in his typical arrogance, said:
Well, shaving cream isn’t exempt, soap isn’t exempt, toilet paper isn’t exempt ...

Under a barrage of protest from the women of Australia and many men of Australia, the health minister subsequently apologised in one breath but in the other breath said, ‘Look, the whole thing has been orchestrated by the Women’s Electoral Lobby. There is no genuine concern on the part of women that tampons should be GST free.’ Well, I have news for the minister. But why will the government not admit that they have made a mistake, at least in respect of tampons if not in respect of the entire GST? Why will they not admit that they have made a mistake and provide GST-free status for tampons? The answer that we have been given is that this would create anomalies in the taxation system. But the GST is full of anomalies. I have already outlined a range of health products that will be subject to the GST.

It is similar if you look at education products and services. We were told in the same $19 million taxpayer funded advertising campaign that education would be GST free. It was only after the election that Australians found out that that is also untrue. Among the basic education items that will be subject to the GST are school uniforms, school shoes, stockings and socks, books except for some textbooks, exercise books and writing pads, pens, pencils and paintbrushes, public transport, school bags and cases, and some excursions. Are these not basic education expenses? It turns out that the main education expense that will be GST free is tuition fees. This is of great benefit to private schools, particularly expensive private schools, but of dubious or no benefit to state schools. Such is the sense of equity of this government. But we are told, once again, that we cannot deal
with this situation because it would create anomalies in an already anomaly ridden GST package.

They had very clear warnings about creating all these anomalies in the GST, in particular the exemption of some food items. In a speech to the national convention of the Taxation Institute of Australia on 24 March last year in Hobart, in talking about exempting some food items and not others, the Commissioner of Taxation said:

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

He said:

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

And yet the government did move, in a deal with the Democrats, to exempt a whole range of food items but not others. In the process, of course anomalies were created. It is hard to imagine more anomalies in the GST legislation, and yet the government says, ‘No, we are not going any further. We won’t create any further anomalies in the health system by exempting tampons.’ This is a completely spurious argument that ought to be rejected by members of the government when the vote is taken, probably at the end of my speech.

Continuing on the anomalous situation in relation to food, we are told that fresh food is basically exempt. Let me go through some of the basic food and beverage items that will attract the GST. They include prepared meals, sandwiches, cakes, slices and pastries, breads and buns with sweet fillings, pies, pasties and sausage rolls, doughnuts, croissants and scones, muesli and health food bars, biscuits, chocolates and lollies, ice-cream and iceblocks, frozen yoghurt, platters of cheese and cold meats, nuts whether they are roasted, salted or smoked, soft drinks, soda water and sparkling mineral water, fruit juices with less than 90 per cent fruit, flavoured milk, potato chips and corn chips, frozen and takeaway pizzas, Sizzler and steakhouses, McDonald’s, Hungry Jack’s, Burger King, Kentucky Fried Chicken and Red Rooster, fish and chips, Asian takeaway meals and meals at clubs, pubs and restaurants. We are told that most food items are GST free, but I could go on and give you another list just as long as that. Yet the government says, ‘No, we can’t take the tax off tampons because it might create an anomaly. It might make the GST a little bit more or too complex.’ It is very difficult to envisage how you could make the GST a little bit more complex.

While we are on the subject of food, I draw your attention to the legislation covering the definition of food. At section 38.4, on the meaning of ‘food’ it says:

(1) Food means any of these, or combination of any of these …

It lists ‘food for human consumption’ and ‘beverages’ for human consumption. It would be very easy, in this nightmare of a tax, to engage in tax avoidance. I will show you how that can be done quite inadvertently. Under the reading of this legislation, if you go to a shop and buy milk, which is supposed to be GST free, for your own human consumption, then it is GST free. But, if you knowingly buy that milk for your cat, you pour out the milk for your cat into a bowl and the cat drinks the milk, then either you or your cat will have avoided the GST. You will be caught in the anti-avoidance provisions. But, if I drink the milk, that is fine. How are we going to assess this?

Mr Abbott—Just share the bowl with the cat.

Mr Emerson—I have avoided tax on half the milk or a quarter of the milk. If the milk goes off and it is not fit for human consumption, and if when the VAT man comes into the supermarket and says, ‘What is your intention in buying that milk? Are you going to give that milk to the cat?’ I look him or her in the eye and swear on my heart, ‘No, Mr VAT Man, I will not give the milk to the cat,’ and I go home but in my mind I have always intended to give that milk to the cat and the
cat drinks the milk, then I have committed an act of tax avoidance.

Ms Gillard—What has the cat done?

Mr EMERSON—I think the cat would probably be confiscated by the VAT man. You never know your luck, Mr Deputy Speaker: the VAT man might just be there at your home having a look at whether you are drinking the milk or whether the cat is drinking the milk or whether the milk went off because it had passed its use-by date, in which case it would not be fit for human consumption. Maybe there is another idea. If you go into the supermarket and you buy milk that has a use-by date that is a couple of weeks in the future, you can have that one. But with the one with the use-by date that is just about past, you can look the VAT man in the eye and say, ‘I could drink this tomorrow but I am going to feed it to the cat the day after the use-by date has expired.’ That probably would constitute a fairly reasonable arrangement and the VAT man would not ping you for tax avoidance.

Taxing milk made easy—this is the GST. At present, milk has no wholesale sales tax, but in moving from this simple tax treatment—this Botswana 1930s style wholesale sales tax treatment of milk; that is, it is exempt, like tampons—to the streamlined new tax system for a new century, as I have indicated, some milk will be taxed by the GST and some will not. It all depends on whether it is processed or unprocessed, or whether it is plain or flavoured, or whether it is from a cow or from a goat, or whether it is for human consumption or not for human consumption. Unprocessed cow’s milk sold by a farmer is subject to the GST, but unprocessed goat’s milk is GST free. Processed cow’s milk is GST free, except if it is flavoured, in which case it is subject to the GST. If the milk is used to make cream, the cream will be GST free. But, if the milk is used to make ice-cream, the ice-cream will be subject to the GST. Is that clear to everyone? There are no anomalies in the current GST!

We cannot have an anomaly in the GST, according to the Treasurer and the Minister for Health and Aged Care, by exempting tampons. They pretend that there are no anomalies, that they have this streamlined new tax system for a new century. It is a dog’s breakfast—or perhaps it is a cat’s breakfast. This is a nightmare of a tax. Our amendment to exempt tampons and sanitary pads from the GST is a perfectly reasonable amendment. The women of Australia deserve better. They deserve better than that which is being offered to them by the government, in particular those women members of the government who, to borrow an analogy, are tigers in their electorates and kittens in the parliament. We will see if the kittens stay on that side of the parliament or whether the kittens come over here and join us in this vote that is about to occur.

This is an opportunity for the women of the government to show some principle by accepting their responsibilities to the women of Australia by coming across to join with us on this second reading amendment and obliging the minister for health to do the right, decent and honest thing—to exempt tampons from the GST. The government should be ashamed of its approach on this issue, and on just about every other issue, in relation to the GST. It will regret ever having introduced the GST. There is no sound conceptual basis for a GST. It is designed to be unfair; it is not accidentally unfair. It is not a tax where the government has said, ‘We mucked that up a bit and it is unfair.’ It is designed to be unfair and it is designed as part of a great change in the taxation arrangements, whereby more than half of the income tax cuts go to the top 20 per cent of income earners in this country. The government knows that—it designed it. It was not an accident. In doing that it included the unfairness in the tax treatment of health products, in particular the tax treatment of tampons. In great intemperance and in great intransigence, the government has said, ‘We will not move on this.’ It is time for the government to reconsider its position. We are giving the government a great opportunity to do that here. We are giving government members, and particularly the women members of the government, the opportunity to do something that they would not often do. On this matter of principle, they should join us on this side of the House in this vote.
So that is the streamlined new tax system for the new century. It has now been cut down somewhat. Here it is; I still think it weighs in at the best part of 5.1 kilograms. This tax is a mess. It replaces a wholesale sales tax which of course has some anomalies, but they are nothing like the anomalous situations that are created by this GST and nothing like the unfairness that is created by this GST because, as I said, the GST is designed to be unfair. It is a furtherance of the government's philosophy—that is, to tax the many and to give tax cuts and tax breaks to the few. I call upon government members to join us in this vote that is about to occur to ensure that the minister for health is required by the parliament of Australia to make an amendment or to list this separately in his schedule of exemptions to make GST free tampons and sanitary pads.

Ms GILLARD (Lalor) (5.59 p.m.)—The Taxation Laws Amendment Bill (No. 5) 2000 deals with three taxation matters, namely, an anomaly in the sales tax legislation, which would have imposed sales tax on the value of modifications to motor vehicles made for disabled access; secondly, a more beneficial and certain evaluation method for certain types of employee share ownership schemes that involve a public offer to overcome a potential anomaly where employees can face tax on a larger discount than they actually receive; and, thirdly, technical amendments to the ultimate beneficiary provisions, which are anti-avoidance provisions dealing with changes in trusts. To this bill the members for Wills and Jagajaga have moved and seconded an amendment which calls on the Treasurer to amend the GST legislation or on the Minister for Health and Aged Care to honour the government’s pre-election promise that health products would be GST free by including tampons and sanitary pads in the minister’s determination of GST-free health items. In this speech, I intend to address the question of GST on tampons and sanitary products raised by the amendment and issues relating to employee share ownership raised by the bill.

One would have hoped that in the year 2000—a new millennium—we would see something better in this House and coming from this government than continued sexism, both in behaviour and in policy. Unfortunately, we see no improvement in either. In the last sitting week, on International Women’s Day of all the days, we had the spectacle of the Minister for Education, Training and Youth Affairs displaying a sexist attitude towards the federal President of the Australian Education Union, Ms Sharan Burrow. The minister apparently thinks it is appropriate to refer to Ms Burrow in this place as ‘Shazza’, a deliberate attempt to demean a competent woman who is a high achiever in her chosen area of work—namely, the trade union movement—and the sort of demeaning that simply is not done to men. I see that the minister at the table, the Minister for Employment Services, finds all of that very humorous indeed. Perhaps he might listen, think about it and learn something. Instead of resorting on International Women’s Day to such sexist conduct, the minister might care to reflect on why Ms Burrow’s career continues to reach new heights while he continues on a sharp decline, demoted after the last election and now a lame-duck minister whose higher education plan was leaked and then quickly hidden by colleagues who had the wit to realise how electorally damaging it would have been.

But the Minister for Education, Training and Youth Affairs is not alone in having a problem with sexism. Everyone here will recall the day in this House when, unable to cope with questioning about the GST from the member for Jagajaga, the Minister for Health and Aged Care, Dr Wooldridge, yelled back that the GST would not affect her much unless she needed cosmetic surgery or tattoos removed—a retort that simply would not have been used against a male member of this parliament. But the Minister for Health and Aged Care has not confined his sexist and insulting remarks to the member for Jagajaga. No, in January this year, when asked about the GST on tampons, he decided to insult all Australian women by stating:

If I was a bloke—

that beggars a very substantial question, but I do not want to get too delayed—
I’d like shaving cream exempt, but I’m not expecting it to be. ... I wasn’t aware that menstruation was an illness.

This statement clearly shows that the Minister for Health and Aged Care just does not understand this issue. He does not understand that, for women, tampons and sanitary products are not discretionary items. For a significant proportion of all our lives, on a monthly basis, women will use the products. They are simply not in the same category as shaving cream. He does not understand that this is a health issue. Indeed, he does not seem to understand the difference between a health issue and an issue about illness. Obviously, one can have a lot of health issues which are related to maintaining health and wellbeing. No, they are not about illness. Menstruation is certainly not an illness, but appropriate products have to be used to deal with menstrual flow; otherwise health risks will arise, let alone the inconvenience of returning to the days when one was housebound, confined and hidden away when dealing with having a period. That was a societal attitude I thought we had left far behind. In part, we can leave those attitudes behind as women can go about their ordinary business because they have access to tampons and sanitary products. It is not a question of illness; it is a question of dealing with a health issue.

We are advised by the warnings that come in every box of tampons that you buy—you get out the instruction leaflet and it contains warnings about toxic shock—to regularly change tampons. Women are indeed advised to frequently change tampons to minimise the risk of this disease. Consequently, access to tampons and sanitary products and their appropriate usage, which includes the frequent changing of tampons, are health issues. One would not have thought one would need to explain these things to the minister for health but, unfortunately, we do. He also does not understand that this is not an issue which can be passed off with a derisory comment. If he thinks it is, perhaps he ought—like other members of the Howard government who appear to pay disproportionate regard to where the polls are on any given day, given that level of focus on polling—to read a poll published in his home town newspaper, the Melbourne Age, on 15 February. That poll showed that 70 per cent of Australians believe that there should not be a GST on tampons or on sanitary pads. In anybody’s terms, 70 per cent is a pretty high polling result. So the minister for health might want to think about that. This government might also want to think about the petition that Senator Faulkner tabled on 15 February containing 10,355 signatures. That petition called on the Howard government to make tampons and sanitary pads GST free. This is the largest electronic petition ever tabled in the federal parliament, and it obviously shows that there is a huge reservoir of community anger against the government’s plan to put GST on these products. It is a remarkable feat, as anybody in this House would recognise, to collect that number of signatures that quickly.

Indeed, I would have thought that all members of parliament would have had the same experience as I have had when moving throughout my electorate, that people were outraged by the comment of the minister for health. I was approached by many women in my electorate who raised the issue directly with me. They saw the sexism in the government’s policy. They felt the sort of derision that was coming from the minister and they did not like it. Perhaps as significantly, I have been approached by men in my electorate about this issue, including some men in the older age range who I think have probably never uttered the words ‘tampon’, ‘sanitary pad’ or ‘period’ or any of those words in female company before. They obviously felt a little bit embarrassed to raise the issue, but they struggled through that embarrassment because they thought it was appropriate to raise the issue. They themselves knew that it was an unfair thing, that it was going to affect their wives, their daughters and their grand-daughters and that it had been dealt with in a shallow and derisory way by this minister for health. They felt and shared the anger of the women in their lives about the matter and they wanted to raise it even though it is not the sort of thing that would lightly roll off their tongue. So I think the government needs to take on board that we are not just talking about women, although that ought to be enough; women in Australia being up in arms ought to be enough to make this government think twice. But it is much
more fundamental than that—it goes across the community overall.

When we look at this issue of tampons and sanitary pads, what we really see is a microcosm of what is wrong with this tax arrangement overall, that you can exempt and tinker and do all of the things that this government has tried to do as it has struck its deal with the Democrats, as it has made modifications here and there to try and get the tax package in. But then, having done what you think is a series of sophisticated and smart political manoeuvres, none of which of course actually were sophisticated or smart, when you actually look back down and study the detail of what you have created, you realise that you have created a system that you cannot justify in anybody's terms.

Let us just look at the health area to indicate yet again what a dog’s breakfast or what a cat’s milk drink this whole GST debate has become. The government likes to give a dismissive wave and say, 'Health is GST free.' But we know that is not the case; we know that is not the truth. We know that the GST is going to apply to a whole lot of health products that we routinely use in our daily lives. It is going to apply to over-the-counter medicines. It is going to apply to pain relievers, cough mixtures, vitamins, spectacle frames, first aid kits, bandaids, baby bottles and cleaning solutions, breast pumps and breast pads, contact lens cleaning solutions and equipment and some quit smoking courses. Yet we have got some exemptions as well. We have got condoms, sunscreens, folate pills and personal lubricants exempted.

I would challenge any member of the government to leave this place to go out to a public meeting in Australia and to articulate clearly the public policy rationale that would have you exempting personal lubricants but taxing tampons and sanitary pads. What could be the public policy rationale that could be advanced for one being caught in the GST net and the other being exempted? What on earth could you possibly say to that public meeting? Honestly, if I put myself in that position and think as a member of the government, if I were standing up in front of 100 people and had to justify why one is caught and the other exempted, I do not know what argument I would advance. I would defy any of the government members to be able to mount a defence in the specifics. They would lapse back to the sort of catch-all lines that we hear in this House in these debates and that we hear in question time that somehow this is good for us—in the abstract it is good for us. If you cannot justify it in the detail, you cannot endeavour to justify it on the generalities.

I would ask each member on the other side before they vote on this amendment to actually think through what they would say if challenged to justify why personal lubricants, condoms, sunscreens and folate pills are exempted but why other vital health products, including tampons and sanitary pads, are caught. If you cannot answer that, you ought to be voting for Labor’s amendment. In fact, you should really be doing something more than voting for Labor’s amendment: you ought to be saying to yourself and to other government members, and ultimately to the Howard ministry, that this is a tax system that is not working and cannot work and that the government ought to have a good hard look at it and really withdraw the whole GST package and start again, because that is the only way of fixing what is so fundamentally flawed about this legislation. Having said that, I now move:

That the debate be adjourned.

I seek leave to continue my remarks later.
funding of health, education and other essential community services;

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

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

Mr DEPUTY SPEAKER (Hon. D.G.H. Adams)—The question is that the words proposed to be omitted stand part of the question.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (6.13 p.m.)—The parliament has been debating the additional estimates appropriation bills, including this bill, Appropriation Bill (No. 3) 1999-2000. These bills embody the continuing commitment by the government to sound financial management of the Commonwealth. As is the case whenever these bills are presented, there has been a long list of speakers discussing a broad range of issues, from the general state of the economy to the GST to the administration of a range of government programs, and also some other matters near and dear to the hearts of individual honourable members contributing to the debate. I would like to thank members for the spirit in which they have contributed to the debate before the chamber. Having said that, I do not intend to respond to some of the more sweeping comments that have been made by those honourable members opposite.

The 1999-2000 additional estimates support the 1999-2000 budget, which addressed the government’s key priorities: delivering on our election commitments, promoting an economic climate conducive to high levels of sustainable economic and employment growth and providing a social safety net for those in need, building a modern, fair and efficient taxation system, delivering increased services to rural and regional Australians and ensuring that government resources are used as effectively and as efficiently as possible.

Our government’s record on economic and fiscal management speaks for itself, and we are justifiably proud of that record. The budget will be in surplus in the year 1999-2000 and throughout the forward estimates—a surplus of around $5 billion in 1999-2000. This has been achieved despite the commitment of Australian troops to East Timor. We are moving steadily towards a debt-free Commonwealth. Despite the Asian economic crisis, our economy grew and unemployment fell. In the past year, over 220,000 new jobs were created.

For Australia’s sake, the government put forward a plan to reform the current outdated, complex and unfair taxation system that is keeping Australia from reaching its potential. Anyone who is serious about a social safety net must also be serious about taxation reform. Without a fair and sustainable tax system, the long-term viability of any social safety net is in doubt. Without a broadly based goods and services tax, there can be no guarantee of a secure revenue base for the Australian states and territories to provide the schools, hospitals, roads and police that all Australians need. With a broadly based GST, one can abolish a range of inefficient indirect taxes and cut personal income taxes. This plan will deliver greater economic benefits to Australia. Over 80 per cent of Australian taxpayers will be on a top marginal rate of 30 cents or less. With the removal of several existing indirect taxes and the ability of businesses to claim input tax credits for GST paid on inputs, there should be a significant reduction in business costs. It guarantees that the states will be no worse off during the transitional period. It guarantees that after the transitional period the states will be much better off than if the existing arrangement continued. We are going to have a much better tax system.

The adoption of accrual budgeting in the 1999-2000 budget is a fundamental budgetary reform to achieve a more businesslike, performance oriented and accountable government. It represents international best practice in the administration, management and reporting of government finances. For the first time in our history, we have a budgeting and reporting system in place that iden-
tifies the true cost of government achieving its outcomes. The accrual budgeting framework allows significantly better financial decision making by agencies and the Commonwealth overall than under a cash based budgeting system. Under the accrual budgeting framework, agencies will be paid a market price for their outputs rather than being funded for the cost of inputs. This will promote more performance oriented and businesslike behaviour by agencies. The Commonwealth's accrual budgeting reforms, in promoting a culture of best practice financial management, have led agencies to recruit highly skilled finance personnel to manage their resources. These reforms make Australia a world leader in government budgeting practices and position Australia at the forefront of the international community in public sector resource management. The strong economic foundations we have built and continue to build upon are the best guarantee of employment growth, security for individuals and families and a stable revenue base to provide the social safety net that the community demands.

In his contribution to the debate, the honourable member for Melbourne moved an amendment to the bill, and this amendment simply is inaccurate and misleading. It will not be a matter of surprise for the honourable member for Melbourne and those opposite that his amendment is not supported by the government. The transition to a new tax system is good news—good news not only for the Australian public but also for the states and territories of Australia. The benefits of the new tax system include a fairer sharing of taxation responsibilities and a simpler tax system with reduced compliance costs. The goods and services tax will provide state and territory governments with a strong revenue base to fund schools, hospitals, roads and other community services in the future. I commend the bills to the chamber.

Question put:
That the words proposed to be omitted (Mr Tanner’s amendment) stand part of the question.

The House divided [6.24 p.m.]
(Mr Deputy Speaker—Hon. D.G.H. Adams)
Question so resolved in the affirmative

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 Slipper) read a third time.

APPROPRIATION BILL (No. 4) 1999-2000

Main Committee Report

Bill returned from Main Committee without having been fully considered; certified copy presented.

Ordered that the bill be taken into consideration forthwith.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

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

Sitting suspended from 6.31 p.m. to 8.00 p.m.

CORPORATIONS LAW AMENDMENT (EMPLOYEE ENTITLEMENTS) BILL 2000

Second Reading

Debate resumed from 9 March, on motion by Mr Hockey:

That the bill be now read a second time.

upon which Mr Kelvin Thomson moved by way of amendment:

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”.

Mr BARRESI (Deakin) (8.00 p.m.)—The Corporations Law Amendment (Employee Entitlements) Bill 2000 seeks to address the very real concerns of Australian employees. They question: ‘What happens to my unpaid wages, superannuation and long service leave if my employer goes broke?’ The bill seeks to address the fear, apprehension and the stress that is placed on the breadwinner who is affected by a potentially insolvent company. It provides immediate relief and protection to those employees who are confronted, in many cases for the first time in their career, with joining the ranks of the unemployed. But, importantly, the bill also provides that same level of immediate relief to a forgotten group: the employee’s dependants—the spouse, the children and, in some cases, the...
parents who have come to rely on the security afforded by a paying job. While many, including previous governments, have talked about doing something about employee entitlements, it is a coalition government that is acting in the interests of all Australians.

It is an unfortunate fact of economic life that companies, just like individuals, experience financial difficulty from time to time. In extreme situations these difficulties turn into insolvency. Unfortunately, insolvency places many costs and burdens on many Australians each and every year. Whether debts are small or large—$50 or $500,000—they all represent money and something to be valued. The phrase ‘money makes the world go around’ is all too true. Deakin’s businesspeople often remind me that their dollars of sales or contract revenue eventually become profit. As most employees would realise—including, hopefully, those members sitting opposite—these profits are all important. They are what drive employment and investment opportunities. Investors—big or small—retail traders or just simply the self-employed living in my electorate of Deakin know only too well that insolvency losses are a real issue.

The Corporations Law currently provides that the employees of a corporation rank ahead of other unsecured creditors on winding up. It is just and right for this to be the case. Although an employee’s labour is but one part of the purchaser-seller contractual arrangement which takes place in every organisation every day, unlike other arrangements, the employee usually is totally dependent on that contractual arrangement for his or her living. An unsecured creditor, by contrast, is usually a small business operator who has decided to go out on their own—taking the risks of selling their labour, their services or their products to a variety of clients with the expectation of financial freedom, independence and, in some cases, control of their own destiny. And with the risks go the rewards. In the case of National Textiles I have been disappointed that some have tried to exploit the situation by trying to drag these unsecured creditors into the mix.

The disappointment of the unsecured creditors is one which I understand. I, too, in a small way had such an experience, as I am sure anyone in this place who has ever had to run a small business would have had. Back in 1988—12 years ago; it is a distant memory now—my first client, after putting up my consulting shingle after I gave away the corporate life, came to my door within two or three days. I thought that this was too good to be true. Although it was only a small amount of money—a couple of thousand dollars—I can still remember the anger that was generated within me when I found out that the directors of that company were trading that company and asking for my services and assistance while there was impending insolvency taking place. That sense of disappointment was certainly one which I will not forget. The ensuing effect was that I was very edgy about subsequent contractual arrangements. But I was an unsecured creditor and there was no chance of getting anything, let alone 5 cents in the dollar or 10 cents in the dollar as some unsecured creditors may be getting from the recent National Textiles case.

But getting back to the main aspects of this bill, the bill does give the employee the priority over unsecured creditors with respect to wages, superannuation contributions, leave and retrenchment payments. The law will also impose a duty on directors not to trade while their company is insolvent. At the end of the speech I will say a few words about directors and the mix of directors on company boards in Australia.

With respect to directors, this bill will, firstly, extend the existing duty on directors not to engage in insolvent trading to encompass uncommercial transactions; and, secondly, introduce a new offence to penalise persons who deliberately enter into agreements or transactions with the intention of significantly reducing, or avoiding, payment of employee entitlements. Another aspect in relation to the duty of directors is that the bill will allow court ordered compensation to be claimed from people who breach the new offence where the employees have suffered loss or damage as a result. I am pleased to see that, under this bill, a successful prosecution for a breach of the new offence can result in a penalty of up to 10 years imprisonment and fines of up to $100,000.
As I said, this bill seeks to ensure that Australian workers get their fair entitlements. That is more than employees received under the former Labor government. Despite all the rhetoric about the ALP being a party of real workers, nothing will escape the fact that Bob Hawke, Paul Keating, Kim Beazley, Martin Ferguson and Simon Crean did little or nothing to protect the entitlements of working Australians while they were at the helm in government or the union movement. Nothing will ever diminish that truth.

Employees living and working in Deakin—and, for that matter, anywhere in Australia—will be protected under these new laws introduced by this coalition government, not those of the previous Labor government, as employees would have expected. Employees will be advantaged because the bill will prohibit agreements or transactions that are designed to avoid or reduce the entitlements owed to them on winding up. We will also see that liquidators and other insolvency practitioners will have access to an expanded range of powers and remedies when seeking to return money to all creditors, including employees.

It is worth noting that the amendments in this bill complement the operation of the government's new Employee Entitlement Support Scheme, the EESS. While the Corporations Law does not directly provide money for unpaid entitlements, this legislation improves the chances of money and assets being available once a liquidator is appointed. The EESS, which was launched last month on an interim administrative basis, covers employees dismissed through their employer's insolvency, administration or bankruptcy since 1 January 2000. Under the safety net scheme that we are introducing, employees will be entitled to a maximum of 29 weeks pay at ordinary time rates for unpaid entitlements, and the maximum rate of payment for each week's entitlement will be the rate corresponding to an annual wage of $40,000.

I want to touch on the ALP's record on this issue. I think it is important that it is put on record in this House. During Labor's 13 years in office, from 1983 to 1996, they failed to provide any meaningful protection of workers' unpaid entitlements. If Labor deem this issue to be so important, the question any reasonable Deakin constituent would ask is: why didn't they do anything when they had the chance? The coalition government is accused of being the cause of many problems, but it is obvious to all Australians that company insolvencies did not just start in March of 1996. In the four years since our election, corporate insolvencies have still occurred, but they are now at half the level they were when Mr Beazley was a cabinet minister.

Corporate insolvency figures from the Australian Securities and Investment Commission for the period 1988-89 to 1999-2000 show a dramatic decline in insolvency in the last four years compared with the halcyon 'as good as it gets' days under Labor. Insolvencies hit a high of 10,361 in 1991-92, and they peaked at 900 per month in March 1992. In the last full year, 1998-99, there were 7,920; and in the first six months of this financial year—July to January—there have been 3,713. I acknowledge that many of these are small to medium enterprises rather than large National Textile-type organisations, but the fact is that insolvencies are part of our way of life. They have been declining under this government, they were at a peak during the Labor term, and yet Labor did nothing to protect those employees. To put it simply, Labor have no credibility. They have, in fact, ignored the 22,348 businesses in my own state of Victoria which went under during the 12-year period I just mentioned.

Company insolvencies are less than half what they were when the Leader of the Opposition, the man without a policy, was the minister for employment. The Leader of the Opposition has been caught out by his own words. In a doorstop on 8 February, he was confronted with this question, ‘Isn't it a terrible indictment that governments of all persuasions have failed to actually set any kind of national scheme until now?’ The answer of the Leader of the Opposition was, ‘This is a pretty recent sort of development. I am not saying it has not happened before, but there has been a marked change in the last four or five years quantitatively.’ The opposition leader is quite right in the last part of his an-
swer. There has been a quantitative change. Corporate insolvencies are now half what they were when he was a member of the cabinet.

The ACTU’s own figures estimate that 17,000 workers each year are not paid entitlements on insolvency and that the average amount of money owed is $7,000. Assuming these figures are correct, during Labor’s 13 years, 221,000 Australians—221,000 Labor battlers, 221,000 employees with dependents—were left unprotected, losing some $1.25 billion in unpaid entitlements. Despite this, nothing was done. I have heard a number of opposition speakers get up here and laud the various initiatives that have taken place over the years. Let’s go through some of the milestones which they sometimes refer to. The much lauded Accord documents, Mark I to Mark VI, between 1983 and 1990 did not mention worker entitlements on insolvency. The first mention, after 10 years—four days before the 1993 election—was in Accord Mark VII. Subsequently, the Corporations Law was amended so that priority for money owed to the Commissioner for Taxation was ranked behind employee entitlements. Opposition speakers have got up during this debate to highlight that decision as being somehow indicative of their long-term interest in the issue. All I can say is: what utter hypocrisy!

The 1993 amendment provided no effective solution to the problem as it still left employee entitlements ranking behind those of secured creditors. Every employee who was sacked when their employer went broke, during and after Labor’s recession, continued to be denied their unpaid entitlements when secured debt was greater than company assets. In Accord Mark VIII in 1995 there was a second mention of employee entitlements. Labor said that its government would examine and, if practicable and desirable, would move to improve the employees entitlements in the event of insolvency. Put simply, as the post 1993 experience has shown, Labor in government failed Australian workers.

After years of being in power, Labor was not even convinced that it was desirable to do anything about the problem, let alone to propose a solution. We have seen multiple job losses, and that has been a sad occurrence, but the human element in all of this appears to have been forgotten in the feeding frenzy by the ALP and the media over recent times. It is business, not government, that is driving this thriving economy. It is business that is creating growth and employing people. It is a tragedy when, for one reason or another, a business collapses. It is even worse for those who have put their money, their hearts, their souls and their labour into it to find suddenly that there is no return of entitlements.

This legislation will be welcomed by all Australians who believe in the national tenet of a fair go. I am not sure where Labor stands on the issue of a fair go. Its behaviour over this whole issue, like on other issues, is about smear and fright. What the opposition’s fear and smear campaigns tell the Australian public, including the people of Deakin, is that this so-called revamped, reinspired, reinvigorated ALP has no idea about how best to represent the people who have traditionally supported them.

This bill will go a long way to protecting the entitlements of employees, but we also know that the best protection for an employee is a profitable trading employer. Under the economic conditions created by this government, we have just that.

As I said earlier on, sadly for the ALP no rewriting of history by either fallen or current leaders can deny this fact. The coalition government is seeking to address the concerns of working men and women in a positive and constructive way. These amendments, along with other reforms, will mean millions of Australian employees will have a better chance of getting a fair go.

In the few minutes that I have left, I want to address my comments to the opportunity that is presenting itself to us as legislators now and in the months and years ahead. The performance of boards of directors is also behind a lot of insolvencies and behind the need for this bill. While not all insolvencies can be attributed to the actions of directors, there is no doubt that, when a company goes under, directors do come under closer scrutiny. People start to ask who is getting what. How long have they known about the company’s poor trading performance? Have the
directors closely scrutinised the operations of the company? Are the directors representative of the community in which they live? A whole series of questions takes place, and I do not think it is unreasonable for us legislators, at some stage in the very near future, to enter into a full and comprehensive debate into the roles, responsibilities and the profiles of directors, be they executive or non-executive directors.

We will have to enter into that debate because of a number of driving forces out there in the community. Firstly, we have seen and heard a number of times that Australia is now the largest shareholding nation in the world. The increasing number of shareholders, which I understand to be around 57 per cent, will mean that the mum and dad investors out there will look at us to ensure that their investments— their life savings—are in the hands of people who will look after the interests of the company and who are closely scrutinising the company's performance. The other force is the changing demographics of our society. It is taking place in the make-up of employees and management, and we will have to see that it takes place also at the board level. Are these boards of directors truly representative of our society? Do they include younger people, women and perhaps representatives from the shareholding community itself? Thirdly, and I believe importantly, is the nature and structure of the workforce as it moves more and more to casualisation, outsourcing and contract workers. We will see increasing concern being expressed about the fate which insolvency is dealing to these groups. The concerns of this affected group will eventually overtake, or at least be on par with, the concerns of company employees who are affected by insolvency.

I asked the library to do some research for me on the criteria for directors. I do not have time to go through it, but I ask honourable members to make themselves familiar with the Korn/Ferry International 1999 Annual Board of Directors Study. There is some interesting information there about the make-up of Australian boards compared with counterpart boards in NZ, the United States and the United Kingdom. This bill needs to be supported by the House, and I urge all members to support it. (Time expired)

Mr HORNE (Paterson) (8.20 p.m.)—I rise to speak on the Corporations Law Amendment (Employee Entitlements) Bill 2000. Having the majority of National Textiles workers reside in the electorate I represent, workers' entitlements are of very real importance to me. Having listened to the previous speaker, I find it interesting that he did not give his speech out at Cobar or Woodlawn or Oakvale, or even up there at the picket line at National Textiles—it is still there, and every worker from National Textiles tonight will go to bed not knowing what their entitlements are or when they will receive them. That is the situation that this government has got workers into, and it is the thing that this legislation certainly does not address. Therefore, I rise to support the amendment.

Having visited the picket line at National Textiles many times, I can assure all members of this House of the human misery and suffering of those people that were advised immediately prior to their Christmas holidays, 'Go on holidays. Have a good break. Your job is here when you want to come back.' Of course, a few days before they were due to start work, they all received a couriered letter saying, 'Don't come back to work. We're not starting up again.' I wonder how this legislation would treat the directors of that company who allowed those people not only to take their holidays and enjoy a Christmas but also to get rid of the holiday pay they had been given but then immediately after that say, 'Sorry, there's no job and there's no money.'

The other thing I would like to say about National Textiles relates to the role of the union and how important it is. It was described by Jennie George as 'a model that will go down in the annals of trade union history'. I have no doubt why the Minister for Employment, Workplace Relations and Small Business, the Hon. Peter Reith, hates unions so much: he knows that, without the role of unions in the workplace today, there would be no legislation coming forward from the government to look after workers' entitlements. There would be no legislation at all to safeguard their interests. The whole point
about this farcical piece of legislation, which has been put forward by the Hon. Joe Hockey, is that it cannot guarantee a single thing. It cannot guarantee that there will be any more entitlements paid to workers at all. For the previous speaker to stand up and say, ‘They’re going to get their just entitlements,’ is completely incorrect because, even if the directors have been negligent and can be charged and found guilty of misdemeanours, if there’s no money in the kitty, the workers will not get their entitlements. So then we have to wait for the next round of legislation that is going to bring the formula forward to indicate just how much they might get from a very complex formula, but it will not be a just entitlement.

I have been talking with families over the past three months that do not know whether they will retain their homes or their cars, or just what they will retain. Despite the Prime Minister coming out from that infamous cabinet meeting months ago saying, ‘The workers of National Textiles will get their full entitlements,’ to date, not one of them has received a single cent. They still do not know how much they will receive. But the government considers this a chapter that has gone: ‘That’s history. They’re alright.’ They are not alright. All of those workers are still suffering anxiety. They are still living with the uncertainty of what they will get. But I can tell you that every one of them is being audited. Every one of them is being photograph identified so that when they do receive a payout, the photograph will have to coincide with the person. I just wonder when the fingerprinting is going to take place. But that is the sort of lack of trust that exists in our workforce today.

There is no doubt that, amongst Australian workers, there has always been a degree of camaraderie and trust and a willingness to do what the boss wants. I think that Australian workers are renowned around the world for that. I am sure that is so. When you talk to international visitors who come along and see Australian workers and the quality of their work and their preparedness go that extra yard, everyone is surprised at the willingness of Australian workers. But in the cases of Cobar four years ago and Woodlawn three years ago, is this legislation going to help those workers? Not one bit, because it is not retrospective.

In my own electorate, on the very day that the workers of National Textiles were advised they no longer had jobs, another organisation, Valentine’s Restaurant, also announced that it would close. It did not have 320 workers; it had only 32. They were not long-time workers. They had worked there for a couple of years. They were mainly young people, and they were not a unionised work force. There was no-one there to really coordinate them and say, ‘Hey, you have entitlements.’ They dispersed quickly and they have not got their entitlements, and this legislation will not give them any entitlements. So, I find it interesting that a member of the government would come in here and lecture us and say, ‘This is going to give workers their entitlements.’ It is not going to look after any of those people at all. This legislation would not cover the National Textiles people, and there is no doubt that it was precisely the National Textiles fiasco that brought on this legislation. But this legislation would not look after them. It would not look after the 400 people from the Aberdeen abattoir because there is no of retrospectivity in it at all.

That is the unfairness of this situation. This government can say, ‘Let’s have a look at what happened for 13 years.’ I often think that this government forgets that it is government. I often think that it still feels, ‘We’re in opposition.’ After four years of governing, we hear from a variety of ministers coming up to the dispatch box and blaming the 13 years of Labor. Why? Don’t they have confidence? Don’t they have the realisation that, for the past four years, they could have been making laws themselves? If our system was so bad, why did they have to wait for the CFMEU and for the Textile, Clothing and Footwear Union to drive such a hard bargain, to organise their workers so hard and to embarrass this government so much before they would dare put legislation on the table? This piece of legislation really does not come up to the mark in any way. It is an extremely impotent piece of legislation that does nothing in workers’ interests.
Madam Deputy Speaker, I notice the Clerk looking at the clock. He probably thinks I have spoken for long enough—I probably have—but I am just wondering who is coming in behind me.

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—The member for Moreton.

Mr HORNE—It will be all right. I will go on for 20 minutes because this is something that really is of vital importance. There are many workers who will get no benefit from this legislation at all; it does nothing to address the real situation of industry today. But it does indicate that the role of unions in the Australian workplace today is far more important than ever before. I have no doubt that it was the role of the unions which satisfactorily resolved the two situations in which workers got their full entitlements. They have been the only successful operations in the past four years as far as workers are concerned. Hands down, it was only the action of the union that did it. The Hon. Peter Reith says, 'This government gave the miners at Oakdale their entitlements,' but it did no such thing. Their entitlements came out of the miners' superannuation fund. This government did not have to put a dollar on the table, and this government will not be putting a dollar on the table with this legislation either. That is why this legislation is doing nothing to guarantee the entitlements of workers. Those entitlements will only be guaranteed when the government says, 'There is a fund and it is available when the employer goes belly-up and the employer can’t pay. There is a fund we can draw against to make the funds available.'

There is no doubt that the only thing any worker has to offer is his labour, his skills. When that is not recognised by the employer, I think the whole Australian community has the right to expect that a government will step in behind the worker, because generally people do not know the legality of the situation; they do not know what their rights are; and, if they want to proceed down a legal path, it will cost them dearly. It can cost them their house simply to mount a legal challenge. It is the role of government to ensure that they are looked after. Surely that is one thing we can all expect—that government is there to look after us; that it is not there to look after the big boys. But this piece of legislation is certainly not looking after workers.

I sincerely support the concept that a fair day’s work demands a fair day’s pay. I would think everyone in this House believes in exactly the same thing. But what we have found with many employers is that, while the fair day’s work is done, the fair day’s pay is not passed on. We find that superannuation contributions and so on have been misappropriated. They were the workers’ entitlements. Is this legislation going to guarantee that that is all repaid? Other entitlements are unused sick leave, unused holidays and unused long service leave. Is this legislation going to guarantee that they will be paid? The answer is no; it cannot. It means that you can punish the directors—but what is the point of that? We had the farcical situation last week of Alan Bond, after misappropriating $1 billion, being released from jail after three years. I suppose we can have a debate about that any time, but what did it do for the people who lost their money by investing with Bond’s companies, or the organisations that lost the $1 billion? Does that give them any comfort at all? Of course it does not. It does not put any money back in the bank. Sending him to jail did them no good, and I suppose releasing him from jail only inflames the situation. That is why this legislation really is sterile.

I will be happy to listen to the contributions of others. I suppose this does mark a start for workers being able to look to a parliament that is at least prepared to put workers’ entitlements on the agenda and debate them. In my opinion there is only one reason it is here: a couple of unions were strong enough, vocal enough and motivated enough to organise their workers to demand their rights from a government whose minister’s initial reaction was—I think everyone in the House at the time of the Oakdale debacle will recall the reaction of the Hon. Peter Reith—that he would not talk to them; he would not listen. But their campaign continued. The beauty of mine workers is that, because they are such a strong and financial union, they could afford to look after their mates and to ensure that they were paid. So that work force simply did not go away; it stayed there.
While it was a thorn in the side of this government, the union demanded the government should do something. So it paid the workers out of its own superannuation funds. It was the same situation with National Textiles. The union, a work force of 300-odd people, and a community and city that supported the workers, guaranteed that the workers did not have to go away; that while they were on the picket line they would have food, shelter and support. The embarrassment of course was so great, and the involvement of the Prime Minister’s brother as a director of the company heightened that embarrassment, that the government had to react.

Those are the only two occasions since the Howard government has been in office when workers have received their entitlements. It was not through the generosity of the government. It was through the united action of unions, workers and community that made that happen. That is why ministers often stand up in the House and point to the opposition front bench saying, ‘They’re all union members.’ Yes, we are, and we are not ashamed of it. I am quite proud to say that I am a member of a union and have been all my working life. I know what unions do for workers. I do not see the government of today, through this piece of legislation, prepared to take up the real cudgel on behalf of workers and ensure that workers get their just entitlements.

I also think of Christopher Skase. Christopher Skase did his bunk and left people high and dry, again during the so-called golden growth era while Mr Keating had his hands on the levers when those opposite were in power. It is extraordinary that those opposite point to what happened to workers and the entitlements of workers at times when Bond and Skase were the corporate mandarins of Australia, the playmates of the glitterati of the Australian Labor Party. They did not do anything about trying to redeem any of the circumstances that confronted those who were left high and dry as a result of those two gentlemen.

I think of my electorate and the electorate of Griffith, the neighbouring electorate, down to the people in the sandwich shops around Bulimba where ships were being made for the next set of toys for Christopher Skase, when Skase did his bunk. Those people did their shirt. Workers lost their jobs at shipyards. Workers lost their jobs all over the place. The Seven Network took years to recover. I worked for the Seven Network for a little while when Skase was there. I am happy to say that I lost my job with Seven before Skase took so many people to the cleaners. I was able to satisfactorily come to an agreement with Seven. Had it happened 12 months later, matters would have been completely different and I would have been a victim of the sorts of matters that will be addressed by this legislation. The contribution by the member for Paterson was unfounded rhetoric, rhetoric that we always hear from those opposite without any great basis or connection to truth.

I now take up the matter of unions. I am a great believer in unions and the concept of trade unions. I support anybody who makes a genuine, valid choice, based on freedom of choice, to join a union. Likewise, I support those who choose not to be part of a union.
That is what this government has done in its short time in office. It has shown workers that they can have a free view on such matters, that they no longer have to be intimidated into joining unions. What has that done to the union movement itself? It has made the unions realise that they were suffering from terminal decline as a result of their own relevance deprivation syndrome. That people had to be coerced into joining unions meant unions were not doing what people wanted of them or expected them to do. This was part of the reason why union membership had reached such a parlous state in free enterprise in this country and why, when this government acted to ensure that people had a chance to choose rather than be coerced into joining a union, we found in many public sector areas and major corporations that people opted out of the union movement.

If the member for Paterson and others opposite are going to mount a successful contribution to this debate and try to place the credibility of unions and their contribution to looking after employees as the top item on the agenda, one would suggest that they should also be saying to unions, ‘We’ve got a way to make you really relevant to the average worker. We’ve got a way to make people want to join your union. Why don’t you, as a union, promote the idea of establishing your own safety net fund for people in your particular organisation who may find themselves without a job?’ In other countries people join unions for reasons such as that. I was talking to a chap the other day who had a long, proud tradition as a member of the teamsters union. He was a transport worker in California who now lives in Australia. He said he has always maintained his membership of the union because they did things like invest in workers. They actually put money aside to make sure that workers were looked after in times of unemployment. I never hear those opposite offering any observation that one reason to be in a union is that unions look after you if ever you are out of a job.

It is a false argument in the extreme for members of the Australian Labor Party to subscribe to one blanket theory: that is, joining a union is good. Over the last few years, we have challenged union bosses to get out of their 7-series Beamers. I remember from before I was elected to this place in 1996 a vision that has stuck in my mind of the member for Batman, when he was the ACTU president, sitting in the back of the 7-series Beamer as the so-called workers’ champion, as president of the ACTU. This government has made the union bosses start to realise that, unless they get real and deal with real issues, people are not going to be a part of those unions. I was delighted by the contribution of the member for Paterson because it gave me an opportunity to restate the importance of workers having freedom to choose and workers having some control over their unions rather than their unions simply having some sort of exclusive right of control over them. I think it is a very simple matter of civics. I would invite those opposite to reflect again on their wholesale support for the union fat cats, leaving just this side of the parliament to stand up for the average worker. I think we are the most pro-workers government that has been elected to this national parliament in our nation’s history. I believe this government has done more for workers in four short years than those opposite ever dreamed about doing in 13 years.

In this legislation before us tonight is an extension of what already is in place. It is an extension of the responsibility of those in corporation ranks to actually do something about making sure that creditors such as employees are looked after. The current Corporations Law provides priority for employees ahead of other unsecured creditors. This coverage includes wages, superannuation contributions, leave and retrenchment payments. The current law also imposes a duty on directors not to trade while their company is insolvent. This Corporations Law Amendment (Employee Entitlements) Bill 2000 proposes to amend that law to increase protection for employee entitlements. Firstly, this bill will extend the existing duty of directors not to trade while their company is insolvent. This Corporations Law Amendment (Employee Entitlements) Bill 2000 proposes to amend that law to increase protection for employee entitlements. Firstly, this bill will extend the existing duty of directors not to trade while their company is insolvent. Secondly, this coalition government—the workers’ government—will introduce a new offence to penalise persons who deliberately enter into agreements or transactions for the purpose of avoiding payment of employee entitlements. As a result of these measures,
we will not get a Bond or a Skase crashing people’s lives.

This bill will allow employees to claim court ordered compensation from people who breach the new law where the employees have suffered loss or damage as a result. We are not simply talking about a simple law without some sort of sanction being imposed upon those who breach it. A breach of this new law can result in a penalty of up to 10 years imprisonment and fines of up to $100,000. We could make it a bigger amount of money, but $100,000 is certainly more than provided for by those opposite in their time in office. In fact, the first and key group to be advantaged directly as a result of this legislation will be employees. They will be advantaged because this bill prohibits arrangements, agreements or transactions that are designed to avoid or reduce entitlements owed to them on winding up. This particular prohibition is not conditional on the company being wound up. Directors and others can be penalised for entering into the proscribed arrangements before the company is in fact insolvent. So those who have a strategy of creating phoenix companies and destroying companies for some deliberate corporate advantage are going to get caught as a result of this government’s measures. Where employees have suffered loss or damage as a result of the agreement or transaction, either the liquidator or the employees themselves may be able to recover compensation directly from the persons involved. The expanded directors’ duty to not engage in insolvent trading can increase the scope for the liquidator of the company to recover any compensation from directors personally.

Workers will receive a preference once this compensation is distributed in respect of entitlements owed to them. Liquidators and other insolvency practitioners will have access to an expanded range of powers and remedies when seeking to return to creditors, including employees, whatever money is available. Non-employee creditors of an insolvent company may also benefit from the extension of the duty of directors not to engage in insolvent trading. These are very practical and straightforward measures, which back the workers of this country in a way they have not before. Directors and other persons engaging in transactions will need to ensure transactions do not fall foul of the new offence. They will need to adhere to the duty of care that some have not complied with in the past. They will need to because otherwise they face penalties of up to 10 years in jail or fines of $100,000. Of course, the provisions will not have an effect on bona fide business decisions. The impact will not be substantial.

One concern I had before I looked into this legislation was whether there was going to be a cost to business, to small businesses in particular, in trying to meet the particular remedies and solutions we have put forward in this legislation. Certainly, from what I can see, there will not be costs to business. There will, however, be demand on businesses to conduct themselves in a proper way and ensure that they set aside entitlements for workers as an absolute rather than simply as a second-best strategy. As a result of this legislation, we will not see people like Bond and Skase trading with workers’ entitlements—what belongs to workers at the end of the day—as some sort of dice they can roll on a casino table and hope they come up trumps with. These are the sorts of duty of care measures that have to be instilled in people who run companies in this nation.

Most people in small business have a general attitude about their employees: they say that if they have 10 people on their books, they themselves have 11 mortgages to worry about. Madam Deputy Speaker, you and all other members in this place would honestly agree that, at the end of the day, most small business operators do the right thing by their workers. They care about their workers. They look them in the face day by day and understand that, unless they satisfy the reasonable aspirations of their workers in the way they conduct their business, they may lose good employees. I do not know of anybody in small business in my electorate, or, I suspect, anywhere around Australia, who would consciously do anything to destroy the contractual connection they have with a good employee. So most owners of small businesses in particular in this nation do the right thing and therefore have absolutely nothing to be concerned about as a result of this legislation.
But those who deliberately seek to use workers’ entitlements and to roll them out as part of their business plan, running the risk of doing the dough at the expense of the average workers, do have something to fear. I think that is a very good development in this nation.

It is just such a pity that over the 13 years the Australian Labor Party was in government it had the opportunity to do something—in fact, for the five or six, or was it almost seven, years following Bond, Skase, Povey and all the other fiascos that occurred through the course of the late 1980s and the recession that we had to have—and did not. So many of these fiascos were in fact engineered by some opposite—some who have left—who had their hands on certain levers. The damage those sorts of fiascos caused average workers did not actually inspire anybody opposite to bring forward the sorts of matters that this government has brought forward to this place tonight. It is an extraordinary double standard, but it is the sort of double standard that we have come to know from the Australian Labor Party on such issues.

I suspect that I end where I began. I applaud those who choose to be involved in unions, but I implore those who run unions to make themselves relevant to the needs of workers. If the crises that come to individuals and their families as a result of corporations and directors of corporations doing the wrong things are not addressed in a relevant way by members of trade unions, trade unions will continue to lose their membership. The member for Paterson talked about the mining unions and their campaign. It is tremendous that they stood their ground and sought to get some sort of assistance for their workers, but it is very sad that that union did not look within itself for the solution and instead turned to the broad taxpayers of Australia to bail it and the workers out. It is very sad because I do not think taxpayers expect governments to actually ensure success. I do not believe that the average Australian expects governments to engineer outcomes for companies. I do not believe that governments have a role to play in that sort of control of corporations, to be the last chance strategy for corporate failure.

If we are going to try to institutionalise government as the last step that some corporate wizard who mixes up the wrong potion can always fall back on, we are going to run the real risk of killing off private enterprise and of killing off the sort of caution, care and correct steps that should be taken by those who are involved in business. We are actually going to remove from the culture of Australian business any care and concern about workers because at the end of the day government will bail them out. I do not believe that governments should be bailing out companies that collapse. I do not believe that should be occurring at all. By the same token, I do not believe that workers should be so disadvantaged because of these corporate criminals—and that is exactly what they are. So these measures tonight are part of the blowing of the whistle on corporate Australia—the bad parts of corporate Australia. They have to put money aside and they have to exercise a duty of concern. They cannot rely on government to be their last mat in a series of safety nets. They have to act responsibly.

The measures contained in this bill, which are extending the current Corporations Law, emphasising certain factors and introducing strong penalties, are matters that I very clearly support. They are not matters that have simply arisen out of some contemporary issue. The National Textiles matter seems to be, in the minds of those opposite, the true catalyst for this legislation; but it was talked about long before the National Textiles fiasco unfolded. What is important is that this legislation does not say government is going to solve the problem; this legislation says that corporations must always prepare and must always insulate themselves from this problem to ensure that workers are not coping in the neck. On that basis it again forms part of the key plank to my contribution tonight.

Mr Melham—Your key plank?

Mr HARDGRAVE—My key plank, member for Banks, is that this is the best government for workers ever elected to this place. We have looked after workers in more
ways than those opposite ever imagined in their 13 years in government. For 13 years they had the opportunity to pick up the cudgels on these sorts of matters. For six or seven years they had the opportunity to react to the obvious fiascos of Bond and Skase, and never did anything. We never saw a private member’s motion. We never saw a government inspired motion. We never saw a debate like this during the 13 years that the Australian Labor Party were in government in this place. Workers of Australia: unite and continue to vote for the coalition.

Mr FITZGIBBON (Hunter) (8.58 p.m.)—How lucky I am to be following the member for Moreton in this debate, because he raises a number of issues and thereby gives me an opportunity to respond. He is not too fond of the trade union movement, but let us have a look at the recent history. The two cases where indeed workers in this country did, after a long struggle, secure the entitlements owed to them were the Oakdale colliery and, of course, National Textiles. What was the body that provided the driving force behind those victories for the workers? Of course, it was the trade union movement in both cases.

He says that, after 13 years, the Labor government failed to act in circumstances where employees were denied their hard-worked-for entitlements. I point out to the member for Moreton that, in many senses, this is a fairly recent development. Certainly there has been an acceleration and certainly in about 1985 the Keating government did change the Corporations Law in order to ensure that workers, when coming before the Australian Taxation Office, had priority in the distribution of assets in a company which had been rendered insolvent.

The member for Moreton talks about Alan Bond. I am pleased he invoked Alan Bond because, by doing so, he also raised the spectre of mandatory sentencing laws in the Northern Territory and Western Australia, drawing a stark contrast between the operation of those laws and the operation of the laws that applied to Alan Bond.

The member for Moreton talks about the Labor Party’s inaction. In the last couple of years, the Labor Party has introduced two private members’ bills in this place in an attempt to address the very real concerns in the community about the protection of employee entitlements. Alas, and of course, we have failed to secure the support of the government in both of those circumstances. He talks about small business. I am very disappointed that he did not move a second reading amendment on the impact on small business. It would have taken me three hours to talk about the impact on small firms of the current government’s policies.

I want to leave the member for Moreton—tempting though it is to talk about his fairly weak and hypocritical contribution to this debate—and talk about people. This bill is simply about people and should be about protecting the hard-worked-for entitlements of working Australians. In December last year more than 300 employees of National Textiles, a plant situated in my electorate, knocked off for the Christmas break. They were feeling happy. They had just been told by the company that despite the company’s recent difficulties—and there had been some difficulties with globalisation, economic re-structuring, tariff reform, et cetera—the capital intensive plant at Rutherford was going okay and the future was pretty bright. Indeed, management was spending what appeared to be more money than usual on the upkeep of the equipment of the plant in readiness for what was seen as a fairly optimistic year ahead. So the workers at National Textiles had every reason to assume that they would have a job to return to after Christmas.

Acting on that assumption, they took their modest holidays, they stocked their beer fridge, they bought the kids not too generous but the sorts of Christmas presents the kids would expect in that economic stratum of the community and they had a good time, as you would expect them to. To their surprise, when they came back after Christmas, there was no job to go to. That probably constitutes the greatest crime of all on the part of the directors of National Textiles—the fact that they led those workers to believe that they would have a job to return to after Christmas. If they had been honest with them, the workers could have postponed the modest family holiday, they could maybe have half stocked the beer fridge and they could maybe have gone a little lighter on the kids’ Christmas
presents. But, no, they were led to believe that, when they returned after the Christmas break, they would have a job to go to.

I said in the local media back in January that even I, as one of the local members, did not appreciate the extent of the plight of these people until I actually visited the picket line. These were people on incomes of around $30,000 a year, with mortgages and with families. The economic reality of that situation is that you do not have any savings—you simply do not have any savings. These were people standing on the picket line feeding their kids sausages donated by the local butcher on buns donated by the local bakery because they literally did not have $5 in their pockets. This is the human face of the situation. It poses the question: when did the Prime Minister know of the pending closure of National Textiles? I do not know a lot about his relationship with his brother, but we do know in hindsight that there had been a whole procession of representations to the government on the economic wellbeing of that plant. My only brother rings me regularly and talks not only about social matters but also about what he is doing in his job and what I am doing in mine. I would have thought the Prime Minister had some indication that that closure may have been imminent. I might be wrong, and I will leave it for him to explain himself. The Prime Minister and the Minister for Employment, Workplace Relations and Small Business had made a commitment last year in the wake of the Oakdale dispute to have in place legislation to protect employee entitlements by 1 January 2000. If they had done so, I would not be here talking about National Textiles now because those people who worked at National Textiles and their families would have got at least some of the entitlements owed to them. They would not have been standing on picket lines eating sausages on rolls and they would not have found themselves in the situation of having to explain to their children why that was necessary. That was a great disappointment and a grave mistake on the part of this government.

The member for Moreton would have us believe that the bill before the parliament tonight is a panacea for all of these problems we face. I agree with the member for Moreton that the government should not be throwing taxpayers’ money in to cover lost entitlements. What the government should be doing is putting in place legislation to ensure that employers face up to their obligations. Labor has a plan in the form of a compulsory insurance scheme which would do that. It would, of course, exempt small business, something that I think the member for Moreton was alluding to. But it would ensure that employers pay into a fund to ensure that workers’ entitlements are met.

I talked a bit earlier about the member for Moreton’s attempts to suggest that this is an issue that has been around for two decades and therefore that Labor had failed to address the issue. I talked about this issue becoming more prevalent in recent years. One of the reasons it has become more prevalent is that companies like Patrick Stevedores have constantly sought new and fancy methods of avoiding their obligations to their employees. That fairly recent event was one that had the imprimatur of the minister for workplace relations. He supported their attempts to set up separate entities and to shift liabilities to those separate entities which had no asset backing and therefore no ability to meet their obligations to employees. So this is a recent phenomenon really. It had happened in early years, it has been happening for decades, but certainly in recent years there has been a concerted effort on the part of some companies to put in place arrangements deliberately designed to avoid their obligations to employees.

The government puts this up as the panacea for all of those problems. The opposition does support this bill. It is a start. I question why it does not go much further, particularly in terms of the onus of proof, for example. I think that, once there is a charge against directors that the wrong thing has been done, the onus should be on the directors to prove otherwise. But at the end of the day it really is mickey mouse. Hands up anyone in this chamber who really thinks that if this bill had been in place as legislation before 1 January this year it would have made one bit of difference in the case of National Textiles. One
out of four. Thanks, Parliamentary Secretary. Twenty-five per cent is not a very good score.

Dr Nelson—What about you?

Mr FITZGIBBON—I do not think so. I do not believe that if this legislation had been in place on 1 January 2000 it would have made one bit of difference in the case of National Textiles. What really intrigues me is the fact that, having made a commitment to assist the employees of National Textiles with taxpayers’ money to the tune of $2 million, the Prime Minister then sought to claw some of that back. He wrote to the administrator and said basically—these are my words, not his—‘Don’t worry about the small business unsecured creditors. If there is any further action to be taken as a result of the inquiry into the operation of the company and the action of the directors, I want some of my money back.’ That was terribly crushing news to people like Bill Drane, the welder in Maitland who is owed $3,000, and the plumber in East Maitland who is owed some $30,000, who stand to get about 2c in the dollar. These are just tradesmen. They are small business people, but these people are working people in every sense of the word. They are no different from those who were working at National Textiles. What a shock it was to them to hear that the Prime Minister had written to the administrator suggesting that, if there were any further distributions to be made after the exhaustion of those arrangements under the deed of arrangement, that money should be distributed to the Commonwealth. Of course, the state government was not afforded any opportunity; that money should be distributed back to the Commonwealth. We are still waiting for the minister for workplace relations’ safety net scheme legislation. When we will see that I do not know, but I have never seen the cogs of bureaucracy work so slowly. It is a scheme that is inadequate, inequitable and unfair in that it shifts the burden from those who should be responsible—that is, the directors of the company—onto the taxpayer. What a wonderful scheme.

That takes me to the former workers of Scone Fresh Meats. More than 80 workers are out of a job. Some of them have been re-employed under a new entity, and I am grate-
Dr NELSON (Bradfield) (9.17 p.m.)—The last few years have seen a number of corporate failures, and this has focused attention on the plight of the employees—everyday working men and women who have had their entitlements threatened by corporate insolvency. The most noticeable cases in recent memory include National Textiles in January this year, the Braybrook manufacturing plant in September last year and Oakdale colliery in May 1999. They are just some of a number of closures or corporate failures which have been brought to public attention. Of course, there are a number of other cases which do not come to public light but in which the pain and misery endured by workers is no less.

The Corporations Law Amendment (Employee Entitlements) Bill 2000 proposes amendments to the Corporations Law. This is the first tranche of the government’s meaningful response to this unacceptable situation. Firstly, it introduces a new offence for people who deliberately enter into agreements or transactions, the intention of which is to evade payment of employee entitlements. Secondly, it allows a court to order payment of compensation to employees who have lost their entitlements because of the agreement or the transaction. Thirdly, it extends the duty on company directors not to engage in insolvent trading. These three things together certainly will further heighten the onus of responsibility which is carried by company directors. The government has indicated that it is taking a bifaceted approach to preventing managers from arranging their affairs to deprive employees of accrued entitlements. The government has also indicated, through the Minister for Employment, Workplace Relations and Small Business, that it wishes to provide a Commonwealth safety net for employees where provision has not otherwise been made. The sorts of entitlements that we are talking about are unpaid wages, the accrued recreation leave of workers, redundancy pay, long service leave and sick leave in some cases. Of these, redundancy and long service leave entitlements comprise the bulk of entitlements owed to employees. Whilst this bill is not specifically about the safety net scheme—that bill will be coming at a later date—the issue is obviously pertinent, if not central, to the debate of this particular bill.

The government’s proposed safety net will see employees entitled to a maximum of 29 weeks pay at ordinary time rates for unpaid entitlements comprising up to four weeks unpaid wages, four weeks annual leave accrued in the last year, up to five weeks pay in lieu of notice, up to four weeks redundancy pay and up to 12 weeks of long service leave. There will be, as has been indicated, a cap of $20,000 on the amount that any individual might receive from the fund. This maximum rate of payment corresponds to an annual wage of around $40,000. It is estimated that, fully costed, the Employee Entitlements Support Scheme when it is fully implemented will cost around $100 million a year. Of course, the employees of National Textiles will be amongst the first to benefit from this. The government indicated its policy in this regard back in September last year through the minister. There is nothing retrospective about it, as has been implied, if not openly suggested, by some members of the opposition.

Mr Deputy Speaker Adams, I appreciate that you would like me at this stage to turn to Labor’s record on this issue and, seeing you have indicated that, I will now do so! The Australian Labor Party governed for 13 years, from 1983 until 1996. During that period, there was no meaningful protection for workers whose entitlements were not paid on insolvency. That is why the very problem exists. It exists because previous governments were either unwilling or unable to take up the cause of workers in this regard. No Labor Prime Minister, no Labor cabinet, no Labor industrial relations minister—despite unions pouring millions of hard-earned workers’ dollars into supporting them and the Australian Labor Party—not one of the sen-
ior figures in the Australian Labor Party in
government ever sought to establish a na-
tional scheme. Not one of the eight accords
with the ACTU committed the government to
a national entitlement protection scheme de-
spite, amongst other things, the recession that
we apparently had to have and more than one
million people unemployed, having been cru-
elly displaced from the work force by the
use—as the former Treasurer and Prime
Minister said to us at the time—of monetary
policy.

Four days before the 1993 election, La-
bor—after 10 years in government—pro-
posed to change the priorities to allow em-
ployees to be paid before the Australian
Taxation Office but after secured creditors.
That was in Accord Mark VII. Employee
entitlements scored another mention in 1995
in Accord Mark VIII. Labor promised that it
would ‘examine and, if practicable and desir-
able, move to improve the protection of em-
ployees’ entitlements in the event of the in-
solvency of the employer’. I am not sure
about you, Mr Deputy Speaker, but I would
have been embarrassed had I been a Labor
Party candidate in the 1993 election and then
to have been a member in 1995 when the best
thing that Labor in government could do for
the workers and union members in particular
that it purported to represent so faithfully was
to promise that, if it were ‘practicable and
desirable’, it would move to improve the
protection of employee entitlements.

Mr Slipper—That is, nothing.

Dr NELSON—Absolutely nothing, as the
Parliamentary Secretary to the Minister for
Finance and Administration reminds me. The
ACTU’s own estimates are that 17,000 work-
ers annually are not paid their due entitle-
ments on insolvency, the average worker be-
ing short-changed to the tune of $7,000. If
you assume the ACTU’s calculations to be
correct, that means that in 13 years of Labor
governments 221,000 workers were left un-
protected by both the Labor Party and the
ACTU, losing some $1.25 billion in entitle-
ments. That figure of 221,000 workers, by
the way, corresponds to the same number of
workers who left the Australian union
movement in the last year. During 1999 over
7,000 companies became insolvent, but un-
fortunately the data on the value of lost em-
ployee entitlements is rather scant. The
ACTU suggests that the cost of annual em-
ployee losses may amount to about $140
million. The Benfield-Greig report commis-
sioned by the New South Wales Department
of Industrial Relations put it as high as $181
million. Further to this, Labor’s 1983 Han-
cock Committee of Review of the Australian
Industrial Relations Law and Systems did not
specify any examination of the problem of
employee entitlements. The Labor govern-
ment’s submission at that time made no re-
ference to this critically important issue, nor
did the report when it was published two
years later in 1985.

The Australian Law Reform Commission’s
general insolvency inquiry recommended in
1988, five years into a Labor government—
Mr Hawke was the Prime Minister at the
time—that a wage earner guaranteed fund be
established to protect employee entitlements,
but not one Labor finger was raised in sup-
port of the recommendation. It must have
been extremely difficult in that case to serve
as a member of the Labor government
through those difficult years. In 1993 the then
Labor government was aroused from its ne-
gluptful slumber to intervene in proceedings
before the Australian Industrial Relations
Commission initiated by the Textile, Clothing
and Footwear Union, which had applied to
introduce trust fund requirements to protect
employee entitlements. The government,
having initially thought it a good idea, re-
treated to argue that it would support this as
only one option for consideration.

Worse still, Labor in government admitted
at the time to the Australian Industrial Rela-
tions Commission that, seven years after the
Law Reform Commission’s report, it had not
even made a decision on its recommendation,
leaving the act on it. Every employee during
and after Labor’s 1990-91 recession who was
sacked but was owed money when their boss
got broke continued to be denied their un-
paid entitlements when the secured debt—
that is, debt to banks and financiers and
security over fixed assets—was greater than
the company assets. Those workers in those
households in those low income suburbs
where I was practising medicine at the
time—where single income families were
single income families were losing their houses because of escalating interest rates, not to mention loss of jobs—were suffering at a time when a party that was purporting to represent the best interests of hard-working, blue-collar Australians was selling them down the river by not doing a thing to protect their entitlements.

Now in opposition, I notice that Labor has had its own plan rejected by its union financiers, who prefer an industry based trust fund to an insurance scheme. Again the Labor reaction and response to this—I realise I am being somewhat critical of the opposition but I feel I must be on this particular issue—is an insurance plan; in other words, that the cost will be borne by employers. I suppose that marks one of the great philosophical differences between the Liberal coalition parties and the Labor Party, and that is that if you put more lead in the saddlebags of employers, whether large, medium or small, you are making it more difficult for those employers to employ more people and to create the wealth which we need to distribute to those people in this country that have neither power nor influence. On 8 February this year Mr Beazley was asked by a journalist:

Isn’t it a terrible indictment that governments of all persuasions have failed to actually set any kind of scheme up until now?

Mr Beazley responded—and this is worth listening to, Mr Deputy Speaker—by saying:

Well, this is a pretty recent sort of development. Now I am not saying it hasn’t happened before but there has been a marked change in the last four or five years quantitatively.

There has been a quantitative change—corporate insolvencies are now half what they were when Mr Beazley was the minister for employment, yet not one fibre of his body moved to confront the human tragedy that was unfolding around him at the time. In other words, the economic environment under the stewardship of the Howard government is such that less than half the insolvencies are occurring now—in fact considerably less than that—than were occurring when Labor was in government and Mr Beazley, now the Leader of the Opposition, was the minister for employment.

Amongst the benefits of the scheme that is proposed by the government is that a minimum amount of assistance will be provided to those who have lost wages but may have fewer accrued entitlements. And it will also bring Australia into line with most industrialised countries, including the United Kingdom, Japan, Austria, France, Belgium, Germany and Spain, all of whom have had a variation of an employee support scheme for quite some time.

The other issue to which I think Australians need to have their attention drawn during this kind of debate is the consequence of the ACTU-government accords during those 13 years of Labor in power—and I commend the video by that name to you, Mr Deputy Speaker. If you are looking at employment growth, in the decade to 1994—through those ACTU-Labor government accords; through those years when we averaged 3½ per cent growth and on average 160,000 jobs a year were created—the number of people unemployed in our country increased from 670,000 to 840,000. The problem was that the ACTU-government accord—to which a future Labor government, I suspect, would return, if not in principle certainly in practice—actually entrenched the very settings which militate against employment. It entrenched budget deficits. As we know, there was a deficit in excess of $10.3 billion when the government changed hands in 1996. It entrenched an intractable balance of payments problem. As a nation and certainly as a government we were spending more than we were earning. The Labor Party was reluctant—in fact, refused in the end, as it still does—to reform an inflexible and inequitable taxation system and, as a consequence of that, we had extremely high interest rates. When the economy was starting to grow, because of an appalling level of national savings, we were borrowing money from offshore and the Reserve Bank was increasing interest rates to basically slow growth to stop exacerbating our balance of payments. When the then Treasurer, Mr Keating, announced the recession he said, ‘This was the recession that we had to have’—in other words, the one that the Labor government felt was unavoidable and then was inflicted upon the working men and women of our country.
There is another dimension to this whole issue of redundancy and dismissal which I think also ought to be considered in this debate. We who are members of the parliament—living our relatively privileged lives but all, I know, working extremely hard—do not always know what it is like to not have a job. Some of us here have been unemployed for periods of time, but most of us have had employment of one form or another. But I think that poets often do understand. Albert Camus said, ‘Without work all life goes rotten.’ In *The Road to Wigan Pier*, George Orwell said, admittedly of the Depression in Britain in the 1930s, ‘You don’t—or words to this effect—appreciate what changes are being worked into society until you walk down a street where nobody has a job and where getting a job is just about as feasible as owning an aeroplane. That is when you start to begin to understand the tragedy that unemployment represents.’

Apart from doing everything that we can to create an environment in which employers and prospective employers are enthusiastic about wealth and employment creation, I believe that there is a very real need in our country for some means of formalising the process by which redundancies and dismissals are handled. Apart from being an economic disaster, unemployment and career transition is an enormous human tragedy. Losing your job after 10, 15 or 20 years of employment is a major life event. For many people it is akin to losing a member of your family, or losing a limb or losing something that is extremely important to you. Some employers handle it extremely well—they go to enormous lengths to see that outsourcing services are provided—but others do not. If ever you needed an example of how not to manage the redundancy of a work force, the National Textiles case is a very good example. If you want a gold standard, then you go to the BHP’s Pathways program.

There must be a way of humanising the process. Whether it is a large, medium or small business, there should be a code of conduct, a process or an ideal standard that is available to employers, which is understood by unions, employers, the work force and governments, that is an appropriate way to manage that whole career transition issue. Families need to be informed that their family member is losing his or her job and need to be involved in that process. Centrelink, other government agencies, non-government organisations and family doctors—all of those people who are critically important in trying to ease that transition from work to non-work and then hopefully back to work again—need to be involved, and they need to be involved early. I think that there is a case for placing moral suasion at the very least on employers to see that this process is managed properly and well.

The other point that I would make to the Labor members who are speaking on this issue in this debate and who are constantly opposing the changes to Australia’s taxation system is that our world and our economy are changing. At the end of World War II, as Tony Blair told the Trade Unions Congress in September 1997, there were 100 segmented markets throughout the world. We are now effectively coalescing down to three major trading blocs. My children are more likely to be driving a computer than digging coal out of the ground in Newcastle or working in a textile, clothing and footwear factory. I do not mean that in any critical sense, but any analysis of what is happening in our country and our economy suggests that that is likely to be the case. As we move from an agrarian and a labour intensive economy based on primary industries, mining and manufacturing across to a services sector, there are many Australians who are suffering a grief and pain that is unknown to them both as individuals and as a country. But, for goodness sake, the changes in the taxation system that are being passed through this parliament now are going in every way to help those manufacturing industries—to help the sorts of industries from which workers are being displaced. By getting rid of the wholesale sales tax and a raft of business transaction taxes and applying a GST to the services sector, what we are actually doing is making it just a little bit easier for those employers in those industries to survive a little bit longer, and hopefully this whole situation can be avoided. *(Time expired)*
Mrs CROSIO (Prospect) (9.37 p.m.)—People who are listening to the debate tonight and who heard the contribution by the member for Bradfield would probably be thinking that the Corporations Law Amendment (Employee Entitlements) Bill 2000 is the be-all and end-all for workers’ entitlements. I can assure them that it is certainly far from that.

When the announcement was first made by the Minister for Financial Services and Regulation that this bill was going to be presented to this House, in July of last year, I must admit I got a little bit excited. I thought, ‘Finally this government is going to be reluctantly dragged to the barriers. They are finally going to bring in legislation that is going to protect the rights of workers—protect their entitlements, protect their wages and, more importantly, protect what they have earned through the sweat of their brow and the use of their hands.’ In the press release of July 1999, the minister said, ‘This represents a major step towards protecting workers’ entitlements without hampering a business’s day-to-day operation.’ I bring that line in because further into the debate I am going to bring in points that show very clearly—and very succinctly, I believe—that this government is about is pandering to big business. The member for Bradfield made that obvious in his contribution when he said that what they are trying to do is not put a burden or an onerous cost onto big business. I would like to remind him—and every member sitting on the government benches—that big business should belong to a corporate society. What we are talking about in protection of workers’ rights is the fact that big business should be there to meet their obligations. When a company goes insolvent, it is not the worker who takes the action to become insolvent; it is the business—either through mismanagement or bad management—that causes the worker to lose everything. For members of the government to come in with this misnamed bill, with a name suggesting that it is going to be the be-all and end-all of corporation law which will protect workers’ entitlements, is, I believe, the greatest injustice that has been committed in this parliament in the four years that they have been in government.

Going through the clauses of the bill, particularly where it says, in brackets, ‘employee entitlements’, I would point out to the member for Bradfield, and to any other speaker from the government benches who wants to follow me, that the only time ‘employee’ is mentioned is in section 596AF, which says that an employee may sue for compensation with the liquidator’s consent, and in section 596AG, where it says ‘Employee may give liquidator notice of intention to sue for compensation’. All of this is ‘may’ or ‘could with consent’. The one thing they miss, both in the explanatory memorandum and in the bill itself, is that when an employee has lost everything, what the hell do they sue with? We are talking about workers who have lost every penny that they have worked for—whether it be in redundancy, compensation, sick leave or holiday pay. Yet we are saying in a bill, with amendments to Corporations Law, that they can, with consent, sue. Big deal. Sue with what? There is nowhere in this bill that shows me or anybody else that an employee is going to be given financial assistance to take the liquidator to court. And how does one who has worked all of his or her life with their hands and the sweat of their brow have the capability to go forward, when they have lost everything, to sue a liquidator or to get a benefit from what this Corporations Law is all about?

I was so amazed and so disappointed when I saw what was coming about from this bill. As many members of this House would know, since 1996 I have been very distressed with what we have been doing with workers’ entitlements. It started in my own electorate when I witnessed 600-odd people lose their jobs and their entitlements. I saw $17 million worth of wages go by the wayside and they never saw a penny of it. I thought that finally, with my introduction of a private member’s bill, this government would have been dragged, reluctantly, at least, to the barriers to start taking some action so we could see that things that have occurred in the past would not occur again. No more do we need the harping of the government, saying, ‘What did you do way back in the 1980s or the 1990s?’ I am saying to the government, ‘For God’s sake, this is now 2000. We have entered a
Tuesday, 14 March 2000

What the hell have you done in the last four years? Not very much. And they have had the opportunity. If they wanted to take a bill that has already been structured—it may not be the be-all and end-all, and I have never said it was—for goodness sake, it is there. If it had been in place, we would not have had the Woodlaws, we would not have had the Cobars, we would not have had the Braybrooks, we would not have had the Scones, we would not have had the Rockhamptons, and we certainly would not have had National Textiles. What we have seen tonight with the Corporations Law Amendment (Employee Entitlements) Bill 2000 and what we have heard in the contributions made by government members is nothing short of hypocritical. Let us stand up for once and be counted—not only in this parliament but as elected representatives—and say that for once we care for what the workers need, what they should have and, more importantly, what we as parliamentarians and legislators are not providing.

This government have been reluctantly dragged by the teeth to do something to try to protect workers’ entitlements ever since they came into office. This bill, like so much of the government’s proposed legislation, is just another unsuccessful attempt to secure the workers’ entitlements. There is simply no protection whatsoever in this bill. On the issues of workers’ entitlements, this government seem to be forever trying to build a bridge around the river rather than building it over the river. I have always believed that, if you are going from point A to point B, a straight line is much shorter than trying to go around and around. And this is what we see, day in and day out, from the lack of leadership and, more importantly, from the ‘no can do’ minister doing absolutely nothing except talk in this place. Time and again there have been opportunities presented to this government to debate, if necessary. They have not even got the guts to debate my bill in this parliament. I have now introduced it three years in a row, and I reintroduced it on Monday. Three years in a row, and they have not even got the gumption to bring it forward in debate. Why? What are they frightened of? If it is not a good bill, then you say to me, ‘It is ridiculous, we cannot put it into legislation.’

The Minister for Employment, Workplace Relations and Small Business said at one stage, ‘Why would we even contemplate her bill? It doesn’t even cover redundancy.’ I said to him time and again, ‘If you do not think it is perfect—and it certainly is not—amend it.’ I did last Monday. I showed the minister for workplace relations how simple and easy it is to amend legislation once legislation has got a sound footing and is structured in a way that it can be amended and changed. It is a stand-alone bill and it can be added to or subtracted from. But no, this government did not want to be involved in that, and they did not even want to bring on debate of the legislation. They have given me once again, as they did last Monday, 15 minutes to present a bill, and that is all we will see of it for the next 12 months. What we should have is legislation that would ensure for this nation an effective plan. We need to put that in place and we need to put it in place now.

There was one such opportunity when I first introduced that bill in 1998. I said to the minister:

I am quite prepared for the government to amend my bill as long as its amendments bring about the same result.

That year passed and, as people in this House would be aware, nothing happened. We saw no action. We saw nothing come from the government. When we look at an issue such as the protection of workers’ rights, the government is virtually like a sleeping dog—you do not disturb him; you step over him and you step around him. But, more importantly, when the media take the running on some particular issue, and the people start demanding, all of a sudden the sleeping dog wakes up and starts to bark, ‘Oh, we’ve got to do something. We’re all sympathetic. Let’s do something.’ All of a sudden, there are a few little steps forward, and then there are a dozen steps back and we see no legislation in this House. Time and time again, we see more and more workers being denied their rights. The half-baked schemes that the government has presented in this parliament are nothing short of a disgrace. We do not need that; we need cooperation and legislation that will protect the workers in the years to come.
When I was talking to the Minister for Employment, Workplace Relations and Small Business in 1998, I thought my words were falling on deaf ears, so I said to the Prime Minister, ‘Please, Prime Minister, I appeal to you to take the bill. Adapt it, do whatever you want to do with it, but for goodness sake do something that is going to protect workers’ rights in the years to come.’ Again, another year passed. Despite some very high profile cases where hundreds of employees lost thousands in accrued entitlements, the Howard government has turned its back once again on Australian workers. The lack of legislation on workers’ entitlements hangs very heavy over this government indeed. No amount of backsliding can erase the fact that, when it comes to workers’ protection and entitlements, they have constantly failed the workers of Australia in the four years that they have been in government. On Monday 13 March, I reintroduced my bill, mark 3.

Mr Slipper—What did Labor do?

Mrs CROSIO—The parliamentary secretary asked what Labor did about it. Labor has presented the only bill in this House that will protect the right to workers’ entitlements. The Howard government refuses to debate the bill—it refuses to take any step to even amend or change the legislation. What did we do in the past? I ask you: what are you going to do for workers in the future? You cannot continue to harp on the past. Workers who are going to be disadvantaged today, tomorrow and next month are going to come back to this government and ask, ‘What about us?’ The government had an opportunity to put a bill in or to amend the bill or to bring proper legislation in, but they refused to do so. It does not matter which party is in control in this House. A scheme needs to be introduced, debated and amended, if necessary, to protect the workers of this nation.

Last year, more than 7,000 companies became insolvent. The cases which most people heard about were the Oakdale Colliery in May 1999, Braybrook Manufacturing in September and, of course, in the words of the Prime Minister, the ‘special case’ of National Textiles, which occurred earlier this year. However, for every one of these cases we hear about, there are at least 100 or more firms that close, with the result that the workers lose all of their entitlements.

The editorial in the *Sydney Morning Herald* on Wednesday, 7 July 1999 reported that as many as 3,000 employees of dozens of failed companies have lost an estimated $30 million in entitlements in the past several years. The article went on—and quite rightly—to say:

Tougher corporate laws, for instance, that impose fines and/or jail sentences on company directors who manipulate corporate structures to allow a company to collapse without paying accrued benefits to its workers are a deterrent to this sort of behaviour.

But they are not protected against legitimate company collapses and guarantee no tangible recompense to workers who have been left short changed.

After all of the high profile cases which have received media attention, finally we have seen a staggered step from the government’s sleeping dog, with the introduction of a half-baked ‘safety net’ for workers’ entitlements. This attempt at industrial reform was, again, hopelessly inadequate. How can the government claim that it is sufficient to cap workers entitlements at $20,000? I know this from experience. In 1996, when a telecommunication company, Exicom, in my electorate went belly up, employees of the company came to my electorate office absolutely devastated, knowing full well that they would lose most, if not all, of their accrued entitlements, which totalled far more than $20,000.

Many employees had been working for the firm for more than 25 years and had accrued in excess of $50,000 in entitlements which were not paid to them. Those people are classic examples of how damaging a lack of workers’ entitlement legislation can be and how unfair it is to cap their rightful entitlements. How dare this government even contemplate capping at $20,000—that is, up to $20,000 and no more—entitlements that are rightfully owed to a worker? This bill is no exception to the government’s inadequate response to protect workers entitlements.

I have to admit that amending the Corporations Law is a start, but it does not go far enough. Under current Corporations Law, employees are classified as unsecured credi-
tors. This category does not give them rights over the sale of particular assets when the company winds up. This is the crucial problem with the current Corporations Law. Employees’ entitlements are not guaranteed while they remain unsecured creditors and while there is no fund in which employee entitlements can be paid.

This bill introduces new measures that directors and owners of companies can be penalised if they had intentions of preventing the recovery of employee entitlements or significantly reducing the amount of the entitlements of the employees of a company. While this measure in principle is not such a bad proposal, it runs into a plethora of problems. Firstly, this move will be effective only when it can be proven that the director of the company had deliberately acted improperly. This is a subjective opinion which runs into evidence problems, as it will need to be proven that it was the intention of the director or owner to prevent employees’ entitlements being paid.

This poses the question: how will this intent be proven? What process is in place to argue the case for and against if the employer and the employee are in disagreement? Furthermore, there is no concrete scheme in place to ensure that employees’ entitlements will be guaranteed, even after the director may be punished. Could we find a situation where negligent directors and business owners are punished but workers’ entitlements are still not paid? Under this legislation, I am afraid we can, very positively.

A huge problem with this bill is that it places far too much emphasis on the punishment of directors rather than on securing the entitlements of workers. Even though this may be designed to stop those directors who act in an unscrupulous and negligent manner regarding their management practices, it does not ensure that, after the business is wound up, employees who have lost their jobs are able to access their legally accrued entitlements. This should be the main point of all workers’ entitlement legislation.

We need to have positive action in this neglected area of industrial relations. I call on the Minister for Employment, Workplace Relations and Small Business yet again to demonstrate where this bill before the House addresses the issue of employee entitlements prior to insolvency. Where in this bill is there a clause that, when legislated, will assist employees to take legal action against directors who have contravened their duties and obligations under the Corporations Law? Under this legislation the burden of cost remains with the employee. I repeat what I said yesterday when, for the third time, I introduced my bill to protect workers’ entitlements: there is not one clause in this bill that gives one iota of protection to employees. A penalty for improper conduct by a director will not see lost entitlements returned to the employee. When are we going to see real reform?

The workers of Australia want guarantees for every cent of their entitlements. They do not want the type of mealy-mouthed statement made by the Prime Minister on Sydney radio 2GB in January this year when he said to the 350 National Textiles workers:

'It is simply not possible in an event of this kind for every last cent of somebody’s entitlements to be covered. Prime Minister, that is not correct. If you had run with my bill in 1998, there would now be in place an insurance scheme funded by the employers, not by the taxpayers, that would have protected the full entitlements of workers in the case of company insolvency. I fully support the amendment to this bill moved by the member for Wills, which stated:

’… 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’.

This government should never have been involved with the bailout of National Textiles while overlooking other cases such as Braybrook Textiles. Minister Reith said in an interview on 25 January 2000:

I believe that we ought to put in place a national scheme... and for a national scheme to be effective it needs the cooperation of the states. The national scheme he was referring to was the insurance scheme to protect workers’ entitlements. What this country needs to get this moving is motivation from the minister and from the Howard government. Reform of Australia’s industrial relations can no longer be left to the ‘no can do’ Minister for Em-
ployment, Workplace Relations and Small Business. We as a nation can no longer enjoy the luxury of expressing our sympathy to workers left without their entitlements. Critics of my bill argue that it would place an unfair burden on all employers. I say to them that, as employers, they are members of a corporate community, and as part of that community they have a number of social responsibilities. One important one is seeing that all of their workers receive the entitlements they are owed in return for their labour.

Workers are receiving neither encouragement nor assistance from this government. Insolvency can strike through no fault of any employer. We need not only a change in attitude by this government but also a change in the boardrooms and the managerial offices across Australia with regard to insolvency. Then and only then will the workers of Australia be protected.

Mrs DE-ANNE KELLY (Dawson) (9.57 p.m.)—This bill will be the first step towards protecting employee entitlements when companies collapse. It reflects great credit on the government, and in particular the Minister for Employment, Workplace Relations and Small Business and the Minister for Financial Services and Regulation. To some, it may appear rather odd that it has to be a coalition government to introduce such a fundamental support scheme for workers who, through no fault of their own—

Opposition members interjecting—

Mrs DE-ANNE KELLY—I am going to get to the Labor Party shortly, so just be patient.

Mr Melham—Are you going to join us?

Mrs DE-ANNE KELLY—have lost their jobs. I agree with the member for Prospect; not often, but I agree. Those who have worked hard, those who have worked with their hands are entitled to their just entitlements. They must have what is theirs. I am pleased that we agree on that point. But I am afraid that is where the praise finishes. The Labor Party has always been loud in its claims that it alone represents the working men and women of Australia and that it alone can faithfully deliver proper employment entitlements. Let us examine the recent history on this issue. In 1985 there was a minor amendment to the Companies Act 1981 which gave a limited priority to retrenchment payments after unpaid wages and entitlements in respect of annual leave, although the Commissioner for Taxation retained priority ahead of sacked workers.

It was a paltry, mean little effort that had hardly any effect. While I do not doubt the sincerity of the member for Prospect, she did say that the government had turned its back on workers. Let me tell you what 13 years of Labor rule did for workers’ entitlements. In that time there were eight separately negotiated accords with the ACTU. The first six made absolutely no mention of any scheme to protect workers’ entitlements on the insolvency of their employing company. In 1993 we saw the first small mention. It should be recalled, though, that this accord was announced only four days before the 1993 election, at a time when the Labor Party was saying and doing anything and everything in its desperate bid to maintain power. Who can forget the scandalous untruths of the l-a-w income tax cuts?

The 1993 mention certainly did not provide a national scheme or any sort of national safety net. Rather, the very best that the Labor Party could do was a modest change in priorities to allow employees to receive payment before the Commissioner of Taxation but after secured creditors. On 27 May 1993, the then Labor Assistant Treasurer, Mr Gear, introduced the Insolvency (Tax Priorities) Legislation Amendment Bill 1993 to give effect to this promise. The Labor government themselves at the time did not honestly regard this as a major achievement or as a trailblazing initiative. That was illustrated by the fact that the junior minister’s rather pedestrian and tedious speech took a whole six minutes—six minutes for employee entitlements. It was hardly light on the hill stuff, because they knew, as they do now in their collective hearts, that it was so trivial that it was almost useless.

Let us move forward a little to Accord Mark VIII in 1995, which delivered another mention of this workers’ right. It promised that the Labor government would:
... examine and, if practical and desirable, move to improve the protection of employees’ entitlements in the event of the insolvency of the employer.

There could scarcely be a better illustration of how far the Labor Party had drifted from their traditional battlers’ base when the very best that they could come up with was this vague promise after 12 years in government. I repeat this provision of the last ALP-ACTU accord. It said that such a scheme would only be examined ‘if practical and desirable’. Anyone could drive a fleet of heavy trucks through that sort of empty commitment and posturing. Australian workers were not kid-ded for one second. They made their views about the Keating-Beazley Labor government known very forcefully in 1996. This mealy-mouthed, half-hearted so-called commitment was only made because of a decision the Labor government had taken the previous year. On 8 June 1994, Australia ratified the International Labour Organisation convention entitled Protection of Workers’ Claims (Employees Insolvency) Convention 1992. So of course it was incumbent on the government to make some sort of gesture; otherwise they could have been in breach of their own un-dertaking to the ILO. Certainly, the Labor government could hardly claim with a straight face that their priority payment scheme introduced via the 1993 amendments to the Corporations Law came anywhere near an adequate commitment—heavy on the rhetoric, very small on the accelerator. In fact, the Labor opposition should thank the government and Minister Reith for ensuring that the undertakings made to the ILO are finally going to be fully met and delivered by a coalition government.

Let us find out how big the problem is. Mind you, it is not always easy to get data. According to the ACTU, each year there are an estimated 17,000 workers who are not paid entitlements on insolvency and the average amount of unpaid entitlements is $7,000 per person. If that is right, a little arithmetic shows us that 221,000 workers lost $1.25 billion in unpaid entitlements during the Labor Party’s 13 years in government. During 1999, for instance, there were more than 7,000 companies that became insolvent. It has been suggested by the ACTU that the annual employee losses are now of the order of $140 million, while the New South Wales Department of Industrial Relations puts the figure somewhat higher at $181 million. Whatever the number, there are many de-cent—as the member for Prospect has said—Australians who work hard with their hands and who are entitled to what they have earned and to what is justly theirs. It is just a pity that her government has never chosen to take the steps to ensure that that is the case.

It is nothing short of the worst sort of gross betrayal that the Labor government, by bad management and general incompetence, induced ‘the recession we had to have’ and left nearly a million Australians unemployed. Imagine the difficulties for people during that time, with the Labor Party turning its back on employee entitlements. Who was the em-ployment minister at that time? None other than the present Leader of the Opposition, Mr Beazley, who demonstrably did not feel the slightest need to protect employee entitlements. So much for looking after the true believers. The failure of the ACTU and the Labor Party to take any action on this critical issue at the political level was made worse by the fact that the Labor government did not care enough to explore this matter even as a policy option. In 1983 the newly elected Labor government commissioned the Hancock committee to fully review the national industrial relations system. It is unbelievable that the terms of reference did not include any proposal to investigate unpaid employee entitlements. Further, the Labor government’s submission to the inquiry did not identify it as a problem, much less suggest a solution. Not surprisingly, of course, the committee’s recommendations in 1985 did not include a reference to it. Let us scan forward to 1988. Labor’s record worsened even further.

Mr Melham—This is a good history les-son.

Mrs DE-ANNE KELLY—History is inter-esting, because in your case it is not too good. I am not surprised that the Labor Party are making a great deal of heavy weather on this bill. I think those on the other side—and there are sincere hardworking people there—are embarrassed. But back to 1988. In that year the government received a formal re-commendation from the Australian Law Re-
and the Prime Minister was greatly moved by the plight of National Textiles employees.

Plastic hand wringing and embarrassment will not make up for the net result after 13 years of Labor rule that every employee who was sacked when their employer went broke, where the business owed money to banks or financiers with security over fixed assets, as is usually the case, and the secured debt was greater than the company’s assets, did not receive their unpaid entitlements. By comparison, the government has taken an enlightened, progressive and caring approach in this bill and in others to come. Under the safety net proposed by the government, in this bill and in others to come, employees will be entitled to a maximum of 29 weeks pay at ordinary time rates for unpaid entitlements, including up to four weeks unpaid wages, four weeks annual leave accrued in the last year, five weeks—

Ms Roxon—Where is that in the legislation?

Mrs DE-ANNE KELLY—It is not in this bill. What was in your bill? Nothing. The Labor Party did nothing, nothing, nothing for 13 years. So do not let the Labor Party sit over there and start wringing their hands and accusing us by saying, ‘What’s in this bill and that bill and that amendment?’ The fact is that the coalition government has been the only one to stand up for people who want their just entitlements. So do not give me arguments about what is in here and what is in there. I am talking about the government’s approach. I am proud of a government that has finally stood up and taken action. Employees will be entitled to four weeks annual leave, five weeks pay in lieu of notice, up to four weeks redundancy pay and up to 12 weeks long service leave. The maximum rate of payment for each week’s entitlements will be the rate corresponding to an annual wage of $40,000 and there will be a $20,000 cap on any amount any individual may receive from the fund. It was to apply from 1 January this year.

The Commonwealth intends that the Employee Entitlements Support Scheme will be funded jointly by the Commonwealth and participating states and territories on a fifty-fifty basis. Should any state choose not to
participate, the Commonwealth will still meet its commitments, with 50 per cent of the benefits for workers in that state or territory. I commend the government, Minister Reith and the Minister for Financial Services and Regulation on their initiatives in this important area. Regrettably, there will always be company failures and job losses for a variety of reasons. A caring government must ensure that sacked workers are given some basic protection. This government will do that. The Labor Party, after its shameful inaction and gross betrayal of Australian workers over its 13 years in government, should make the best of the situation and quietly support this bill and others to come.

Ms ROXON (Gellibrand) (10.12 p.m.)—It has been my misfortune to be in the House not just when the member for Dawson spoke, obviously following the brief provided by her frontbench for a number of speeches by those opposite, particularly the member for Pearce, who was very keen to point out, as the member for Dawson did at great length, what was and was not done in the 13 years of a Labor government. It would be surprising to anybody who has followed the history of who has promised to do what and what has happened to actually look at the last four years of this government’s record, which seems to me to have fallen off the radar scan, if you like, for members opposite. When you listen to the member for Dawson, and particularly the member for Pearce, it is their view that this was the greatest offence committed by a Labor government over the last 13 years. It was such a high priority that it was surprising to me and to anyone else in the House to know that this government, for the last four years, did not take any action, and still has not with the introduction of the Corporations Law Amendment (Employee Entitlements) Bill 2000, which will not secure employee entitlements. It is surprising to me that government members can come into this House and say that this was such a high order issue and that the ALP’s failure in government for 13 years was so obvious to them that it was not the first piece of legislation that was introduced into this House. I am surprised that we do not have a safety net scheme which will secure employee entitlements.

It will not be a surprise to anybody listening to me speaking tonight to hear me referring to the Braybrook Manufacturing workers in my electorate who will not be assisted by this piece of legislation and who have not been assisted by any steps that this government has taken in addressing the vexed issue of how to secure employees entitlements. It is of concern to me that, despite what the member for Dawson, the member for Pearce and many others have said, following no doubt the brief from their ministers, contrary to all of these promises there are 70 people in my electorate that I can talk about specifically and thousands of people in other electorates that for the last four years when the Labor Party has not been in government—and I know it is a little difficult sometimes for coalition members, particularly the backbench members, to understand that it is their government they need to hold to account for failing to deal with this issue—have not been assisted by this. It does not matter that Minister Hockey announced in a press release of 22 July 1999 that the legislation that we are now debating was going to be introduced and that the government was going to:

... act to protect employee entitlements after recent high-profile company failures.

The minister is quoted as saying:

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 Braybrook Manufacturing company went bust after the promise made by this minister, who said that this was:

... a major step towards protecting worker entitlements without hampering a business’ day-to-day operations ...

If the minister was so committed at that time, why is the magic date of 1 January 2000 the date for Minister Reith’s safety net? It is called a safety net. It is a little bit hard to call it a safety net. It is more like the Black and Gold safety net. I am not sure if members from other than Victoria have the no-name brands in their supermarkets.

Mr Melham—We have No Frills Franklins.
Ms ROXON—Well, that is the no frills scheme that has been introduced. It has not been introduced into this parliament, because it is an administrative scheme; we now find out it is not a legislative scheme. It is frankly a sham for the Minister for Financial Services and Regulation to pretend that this legislation is doing anything to address the issue of securing employee entitlements. Obviously, that is not to say that there is not some point in trying to hold directors to account if they are responsible for their companies going under and if they are responsible for running businesses wherein they employ people who do not receive their lawful entitlements. I think everyone on both sides of the House thinks that it is appropriate for us to hold those directors to account. And all the members on this side as well as the government side know that only a small number of businesses are run by employers who are intent on avoiding employee entitlements. However, they unfortunately are repeat offenders and we see them turning up in business after business.

Mr Melham—Recidivists.

Ms ROXON—That is right—they are recidivists, as my colleague said. Unfortunately, nothing will necessarily follow from the legislation being debated today that will stop that happening. I hope that the steps taken by the government will provide some disincentive to those employers.

However, it will not provide a disincentive to those employers who are not the Patricks of this world. These employers do not set out positively and actively with a scheme to make sure that their employees do not receive their entitlements. As the member for Wills pointed out, the incompetent yet honest directors will not be caught by this legislation. Unfortunately, we need a disincentive to be in place. Employing people is a great responsibility. It is not the same as any other sort of business transaction that people enter into. If you employ somebody, their and their family’s livelihood depends on the way that you run your business. Those who are employing people are taking a risk with their capital, but they cannot afford to and should not be allowed to take the risk with other people’s livelihoods.

Many of the women who worked at Braybrook Manufacturing at Braybrook in my electorate worked for that company for 20 or 30 years. Their weekly income when they were finally retrenched was of the order of $350 gross a week. Many of them support families with two or three children on that amount of money. It is not a large amount of money to earn. They have provided service for a long time. When they turn up day after day to work, they are entitled to think that their employer will make adequate provision to pay for their entitlements if there is a misfortune that is outside the employer’s control. We are not talking about a situation where we have a Patrick type company where an employer is actually setting out to deceive their employees. That certainly is in a minority of cases. I stress to the House that I am not sure which category Braybrook Manufacturing falls into. It appears that a number of the directors may have been involved in previous companies that have been insolvent and failed to pay their employee entitlements. But it is a little difficult to know if that is exactly the case. It may be that the circumstances of the industry they were in and the type of work they were doing meant that their business went under for reasons that may have been outside their control. But that is really little solace to the women who have worked there year after year and day after day and who rely on that income to provide for their families.

My electorate has a large number of people in it who have very low incomes. Their one hope when they are in employment is that over time they will be able to earn enough money to provide for their children. Their most vehement hope is to provide better opportunities for their children than they have been able to have in their lives. When they are then retrenched, which means that that income is not going to be received week after week, and find that the $20,000 or $30,000 that they are owed—which sounds like a lot when you only earn $350 a week but is not a lot if you do not easily move into another job—is going to be taken from them, they are entitled to ask for action from this government and the member for Dawson and the member for Pearce and the two ministers who come in here holier than thou and say...
the Labor government did nothing about this. It is hypocrisy on a great scale to come in here and say that they have been in government for the last four years but have not chosen to address this most pressing issue. If it was so pressing, surely it would have been the obvious first initiative that the government would have taken in the industrial arena.

What initiatives have we seen? We have seen two attempts. The first wave of industrial relations changes introduced by Minister Reith and passed very soon after his government was elected and the second-wave attempt were legislation of 300 and 400 pages. They were massive pieces of legislation proposing dramatic change in the industrial relations arena. What was there about employee entitlements in either of those major proposals? Absolutely nothing. Where were the member for Dawson, the member for Pearce and the other backbenchers on the government side who have said that this was such a pressing issue, and such an issue of neglect by the Labor Party that it was outrageous they did not deal with that as soon as they were elected? What about their government? What has been happening for the last four years? That is the period when we have seen the most dramatic abuses occur. It is very distressing to see that ignored by the backbenchers, although I guess I expect to see it ignored by ministers.

In the case of Patrick, which I have referred to briefly and which was the most dramatic example of a company setting out to avoid the appropriate employee entitlements and setting out to avoid a large number of provisions in our industrial laws, what did we see the government doing? We did not hear the minister saying, ‘It is an outrage that Patrick is doing this sort of thing. It is an outrage that this is something we saw the Labor government let go for 13 years and I am going to stop it straightaway. I will not allow a company to behave in this way.’ Instead, we have Minister Reith being the greatest cheerleader for Patrick during the whole dispute. He is the one who said, ‘This is the sort of action that everybody else should be taking.’ That is the cheerleading role he plays with the construction workers now in Victoria. He encourages companies to be as provocative as possible rather than to work through the difficult issues of how we deal with employee entitlements and how we make sure that there is a disincentive for directors to avoid paying their legal dues.

There have been some suggestions made by the shadow minister in this area that there are better ways to deal with this issue. Obviously the Labor Party’s position on this, particularly in relation to a scheme for paying for employee entitlements, has been in the public arena for some time. I would urge the ministers to look more carefully at that. In respect of the Corporations Law amendments, there are a number of suggestions that have been made that have not been picked up. It would be a great incentive for the government to consider reversing the onus of proof in prosecuting directors who are found to offend against even these new provisions which are being proposed, because I know as a practising lawyer that the biggest difficulty is with proof. I know that there are human rights issues when we are talking about criminal offences. People are entitled to the presumption of innocence. The reasons that criminal matters need to be proved beyond reasonable doubt are very good reasons, not just for the protection of the individual but because with most crimes it is very difficult and you want to be confident that you are pointing the finger at the right person. The smoking gun might not mean that person actually killed X. But, in a situation of an employee receiving their legal entitlements, it is very easy to know whether they have or have not received them and it is very easy to know who the employers are. It would not be a great burden in that situation for the directors to be required to disprove their level of knowledge and to disprove their involvement in insolvent trading. It is easy for people to understand that the cost can be prohibitive. Taking this sort of action on the basis of insolvent trading is so expensive that most employers who were owed $10,000 or $15,000 or $20,000, if they had to pursue a case individually, would lose that money in pursuing the case, even if they were successful.

The other failing of this legislation is that it deals with penalties for directors; it does
not deal adequately with providing any compensation to the employees themselves. That is, after all, what we are supposed to be on about. That is what the minister promised. He says he is going to look after and secure employee entitlements, but he is doing nothing of the sort. We have not seen the Attorney-General stand up and say that, because this is such a priority and because the government regards protecting workers’ rights—as they should—as being of great importance, they are actually going to change their policy on legal aid funding and they are going to allow workers to claim legal aid if they are seeking to enforce their rights when they have not had their entitlements paid. Have we seen any initiative that would have a real and practical impact for those workers who are left in this position?

It would be remiss of me not to again urge the Prime Minister and the minister to pay some attention to the Braybrook Manufacturing workers in my electorate. Minister Hockey made the commitment on 22 July that he was going to look after workers. Minister Reith announced in August that his government was going to be the government to introduce a scheme that would protect employees. The workers in my electorate were retrenched on 7 September, after these promises were made, and they have received nothing. They have received no assistance from this government. Frankly, it is galling for me to stand up here and have to debate a bill which is called the Corporations Law Amendment (Employee Entitlements) Bill 2000, which does absolutely no such thing. I know that Minister Hockey has taken a few tips from Minister Reith on the naming of bills because the other ridiculous name that we have had to debate—

Mr Melham—They should be had up for false pretences.

Ms ROXON—That is right; they are probably breaching the Trade Practices Act but no doubt claim some sort of exemption under parliamentary privilege. The More Jobs Better Pay bill was definitely up there with the Corporations Law Amendment (Employee Entitlements) Bill in being misleading and deceptive. Those workers in my electorate know that there have been no steps taken by this government that are going to assist them in any way to get their money.

They have pleaded with the Prime Minister in every way possible. In a community meeting in my electorate in Braybrook, hundreds of workers—not just from Braybrook Manufacturing—turned up to support the workers and to encourage the Prime Minister to treat the workers in the same way that he has treated workers elsewhere, like those at National Textiles. But he does that in an ad hoc way. His government and its advisers do not actually put it in the legislation and give people some comfort that there will be security for them. They also pleaded that the Prime Minister come and visit Braybrook. I have invited him to do this. I have passed on the request of the meeting. I have tabled a petition. I have rung the Prime Minister’s office. I have written to the Prime Minister’s office. I have had no answer. We would love him to come to Braybrook. We think that he would learn a lot about urban regions, not just rural regions, and he would learn that there are a number of workers who are not just disappointed in this government but who have very real issues that they need to discuss with the Prime Minister. They deserve to be listened to and they deserve not to have this hypocrisy heaped on them time and time again, with promises that employee entitlements are going to be looked after when they are not. The backbenchers of this government, along with the ministry, cannot blame the former Labor government for this.

Mr Melham—The whole country, not just the regional centres!

Ms ROXON—that is right. They have an obligation to the constituents in my electorate. He is the Prime Minister. Unfortunate as it may be from my view, he is the Prime Minister of the whole country, and the whole country deserves his attention—as do the many employees who will not find any other satisfaction in this legislation when they find that their companies go under as a result of the activities of their directors. I would urge the government to take a more sensible approach and to actually look at this issue more thoroughly.

Debate interrupted.
Mr DEPUTY SPEAKER (Mr Nehl)—

Order! It being 10.30 p.m., I propose the question:

That the House do now adjourn.

Goods and Services Tax: Caravan Parks

Mr RIPOLL (Oxley) (10.30 p.m.)—I rise tonight to speak on the issue of the broken promises of the Howard government in relation to the GST on rents in caravan parks. This government promised that there would be no GST on rents, but it was not a core promise, so it was not kept. The GST will apply to rents and it will apply to the rents of those in the community least able to afford it. Government ministers seem to have some problem defining those who live in caravan parks. They think that they are all there on holidays and that they are there for a short-term stay as tourists. How wrong and how out of touch this government and its ministers are with the reality of the impact of the GST on caravan park residents and on ordinary Australians.

For some it is not an option to live in caravan parks, particularly not for those who are getting older and need the security and affordability these parks provide. For younger residents it is out of necessity and not by choice that they live in this manner of accommodation and not, as the government would have you believe, for a holiday. The greatest injustice of this GST on rents in caravan parks is that there is no GST on the rents of fixed housing anywhere else in Australia. If you live on the North Shore of Sydney and are paying a rent of $2,500 a month, it is quite all right, you do not have to pay the GST, because the government understands what you have to go through. But, if you live in a caravan park in Wacol, Acacia Ridge, Goodna, Gales, Camira or Durack in my electorate of Oxley, you will be slugged with this unfair GST because that is where you happen to live.

The proprietors of the caravan parks in Oxley have generally indicated to me that 80 per cent to 95 per cent of the caravans and cabins on their sites are actually permanent residences. They are not happy holiday-makers but simply people living in their permanent homes, which happen to be located in a caravan park, trying to make a go of what they have. They do not need to be slapped by this government with this unfair tax. I understand that most of the residents are elderly who have sold their homes or who had been living in public housing or who are on pensions. To these people every cent counts. Unlike ministers that believe caravan parks are just for people on holiday, these people cannot afford the rent of a house—for example, at Kirribilli with a view of the harbour—and they certainly cannot afford the extra burden of the GST on their site fees, on the rents on their homes.

The confusion on the government benches and the misleading information given by government members indicate just how out of touch they are with the community. Van park proprietors in Oxley have said that people have come to them concerned, and some ill informed, about how much GST they will have to pay. The government has placed park owners in a position where they can decide whether to charge GST or not, but if they do not charge it they will be locked out of the whole GST process and will not be able to claim input tax credits. At least they get some choice, but the people who rent sites there are given no choice at all by this government.

Not only will these people be forced to pay GST on rent, unlike every other Australian in rental accommodation, but they will have forced upon them the indignity of the government classifying them as not having a real home. According to the government, you are just a transient resident on holiday without a real home if you are living in one of these caravan parks. The government is wrong, as it is wrong about the impact the GST will have on ordinary Australians. Let me assure the government that every permanent resident of a caravan park takes great pride in their home and makes the best out of what is their slice of Australia.

This government has been exposed for the lies it has told about GST on tampons, the lies it has told about GST on rents and the lies it has told about the full impact this inflationary tax will have on the buying power of ordinary Australians. This government talks about itself as being a social coalition. It
may be a coalition, but today it has again
demonstrated that it has had and will have
nothing to do with the real people and the
real problems that have been presented to
them.

Today there was a rally outside Parliament
House of people who live in mobile homes
and caravan parks. These people wrote to the
PM and the Treasurer. The PM did not even
bother to reply or meet with them at all and
the Treasurer just flatly refused to see them.
And the members of the government who
meekly feigned their objections were no-
where to be seen at this rally today. This gov-
ernment has stuffed it up—just another bro-
ken promise in a long list of non-core prom-
ises. (Time expired)

Australian Women’s History Search
Mr CAMERON THOMPSON (Blair)
(10.35 p.m.)—I rise tonight to welcome an
initiative by the Minister Assisting the Prime
Minister for the Status of Women, Senator
Jocelyn Newman. This initiative, launched by
Senator Kay Patterson on the eve of Interna-
tional Women’s Day, is the Australian
Women’s History Search. It is a unique op-
portunity for the Australian public to provide
photos, letters, stories, memoirs, diaries and
drawings by a female ancestor—relative or
friend—to be published in a celebratory book
about the history of Australian women. I
thought I would give an example of that prin-
ciple: a life that would be well suited to cele-
bration in this way. I refer to Dorothy Joy
Elder, the sister of my grandmother Winifred.
Sadly, Dorothy passed away on 17 February
this year, so she is not going to be able to
participate in this very important project, but
I think it is important to reflect on her life
and see the opportunity that this project pro-
vides to people who would like to honour
their ancestors in this way. Part of this history
is in her own words, because in her later
years she relayed some of her history for just
such an eventuality, and I am proud to be
able to read it here into Hansard.

Dorothy Joy Elder was born on 3 January
1901 at ‘Beulah’, Ben Lomond, New South
Wales, the highest peak in the New South
Wales range. The nearest town was Glen In-
nes. Dorothy was the youngest of four
daughters: Winifred, Rose, Sarah Margaret
and Dorothy Joy. Dorothy’s parents decided
to give her her second name, Joy, because of
rejoicing at the time over the declaration of
Federation in Australia. I think it is timely
that I should note that this particular
women’s history search is timed to occur at
the centenary of Federation, and so it is ap-
propriate that Dorothy Joy Elder’s life should
be part of it.

In 1907, after the birth of her brother Clem
in 1906, her family left ‘Beulah’ and Ben
Lomond to go to a property at Oakey on the
Darling Downs called ‘Winfield’. The reason
for moving was that Margaret, her sister, was
a rather delicate child, and father and mother
thought the Downs would suit her health.
Dorothy Joy said:

Being the young sister I was given a quiet pony to
ride 3.5 miles to Jondaryan to collect mail and
sometimes bread. I rode along the road and I
never met anyone on the lonely stretch. I sang as I
rode and hoped that the pony would not take
fright and toss me into the prickly pear which was
very high on both sides of the road. We attended
the local school which had 12 pupils and one
teacher. We walked 1.5 miles each way.

When Winifred, that is my own grandmother
and Dorothy Joy’s sister, was a child at
‘Beulah’ at that time, she wandered from
home while her mother was busy with the
younger children. She became lost in the sur-
rounding rugged country and in the following
search a young farm worker found her un-
harmed but very frightened. That experience
was a very vivid one to Winifred even later,
in her old age.

Dorothy’s parents, Edward and Sarah,
found it difficult over time to reduce the bank
overdraft that they were carrying on that
property and after seven years surrendered
the property. In 1912 the family moved to
Toowoomba, where Edward worked at house
building, with contracts as far away as Al-
lorra. Next the family moved to Brisbane,
where there was some carpentry work for
Edward, living firstly in the suburb of
Foolooowin and then at Sandgate. In the time
earlier when they were at Toowoomba, the
youngest brother of the family, Alex, was
born and he commenced school there. It was
called the North School and was divided into
the girls and boys. Dorothy Joy Ensor mar-
mated Douglas Elder in January 1931, when
they moved to their new home in Wickham Street, Newmarket. Their daughter was born in September 1934. Sadly, Douglas died in 1955. Dorothy cared for her mother, Sarah Jane Ensor, for several years. Dorothy lived for 68 years in the same house in Wickham Street until 1999, when she moved into a retirement home. She was much beloved by everyone, especially by Claire and Keith, her four grandchildren and seven great-grandchildren, who were the delight of her senior years. (Time expired)

Rural and Regional Australia: Infrastructure Report

Mr Sidebottom (Braddon) (10.40 p.m.)—I would like to comment on and commend the recently tabled report from the House of Representatives Standing Committee on Primary Industries and Regional Services called Time running out: shaping regional Australia’s future. I would like to deal with some of the issues that I believe are particularly relevant to my electorate.

The first chapter is concerned with leadership and local skills and recommends that the Commonwealth, in partnership with state and local governments, the business sector, tertiary institutions and others, supports leadership development programs and strategies in the regions. An institutional way to do this, as recommended by the committee, is by stopping the withdrawal of government services from the regions and in fact relocating strategic Commonwealth departments to the regions. This measure is also being strongly mooted in my region in relation to state government departments, or sections of these departments.

On the local level, my region is in the process of creating a unique regional authority, the Cradle Coast Authority, which is chartered and financed by nine councils, with a board of directors drawn from business, education, council and community expertise, along with a secretariat. This body is to act as the major advocate and lobby force for the region as well as be a proactive driver for economic and social development, working in conjunction with individual and collective councils and communities. This development I think mirrors the report when it compared dissipation of effort and lack of focus with those regions that were making the most of their opportunities.

Access to education and its impact on regional development was continually highlighted in the report. A recurring theme throughout the submissions to the inquiry was the need to recognise and tackle the issue of isolation and geographic disadvantage associated with accessing education. This should be seen as more than an economic investment; it is an investment in social and human capital. In my electorate there is a university campus offering first year courses in some faculties and postgraduate opportunities in primary sciences. The major problem is that students are forced to relocate to Hobart, to Launceston or to the mainland in order to complete their studies. Retention rates to years 11 and 12 and on to further education are amongst the lowest in Tasmania and, unfortunately, in Australia. The fact that university studies have to be completed elsewhere does not help this problem. Unfortunately, outside youth allowance, there is no assistance for students and their families to help with the cost of living away from home. The report says, on page 271:

It is not just isolated children living in remote areas who are disadvantaged, but also children living in regional areas who are forced to travel and live away from home in order to further their education. Both these groups require assistance. This has been an ongoing problem for many generations. The Committee believes that this is a national disgrace. It is now time for all governments to redress this serious situation.

This has been a fact of life for many students and their families in my electorate for years and has been a major disincentive for young people to further their studies beyond secondary schooling. Those forced to travel for their education are automatically discriminated against. The additional costs and the burden of living away from home merely make matters more inequitable and financially difficult. Estimates suggest it is a $5,000 to $10,000 per annum additional impost on students who are forced to live away from home. This is discriminatory, inequitable and unfair—in short, a national disgrace.

I now turn to another issue of the report related to telecommunications. The chapter heading sums up the importance of this infra-
structure to regional Australia: ‘Access to telecommunications—access to opportunity’. For my purposes, I will highlight the issue of alternative means of accessing free-to-air broadcasting services, namely, through satellite. Recent Commonwealth legislation has made it possible for householders who live in broadcasting black spot areas to access free-to-air TV services via satellite. This is a great breakthrough for many people. The ABA will issue permission to receive once black spot status has been established and verified. The downside is that local content will be missing and the one-off cost of the equipment is between $1,200 and $1,500 for the satellite dish, decoder box and smart card.

It is a well-known fact that areas that now receive poor to non-existent terrestrial signals will not be able to access future high digital or standard digital TV signals. Therefore, the only way out for them is via satellite. But why should this inequity be further exacerbated by the fact that householders have to pay so much for the receiving equipment? The committee recognised inequity on page 114 in the report and recommended that the Commonwealth government use the ISDN satellite service subsidy now in existence—50 per cent off the purchase price of ISDN satellite receiving equipment—as a model to assist communities receiving existing free-to-air broadcasting services via satellite and to provide access to digital services for communities which would otherwise be unable to receive future digital signals because of their geographical location. This is a little-publicised recommendation in the report, but I urge others to take this up in the name of equity.

Linda Industries

Mr RONALDSON (Ballarat) (10.45 p.m.)—I am sure that Linda Industries is a brand name that is well known to honourable members in the House. The company that produces Linda electric blankets went into receivership in November last year, and the administrators are KPMG in Melbourne. I understand that Linda produces about 50 per cent of Australia’s electric blankets. There are two firms in my electorate and one in the seat of the honourable member for Wannon. The Smith Family in Warrnambool, Daytex Fabrics in Daylesford in my electorate and the Creswick Woollen Mills also in my electorate are large suppliers of textile fabric to Linda Industries.

I think it is a great tragedy that the company has gone into receivership. I do not wish to comment on some of the reasons for that, but I understand there are a number of issues involved, particularly concerning the price that was originally paid for the company a few years ago. Irrespective of all that, the reality is that this company is in receivership. While the administrators have agreed to try to extend the longevity of the company through the present season, I make a plea to them to make sure that Linda Industries can continue. I do that on the basis that there are some 100 employees at The Smith Family in Warrnambool, there are 40-odd employees at Daytex Fabrics in Daylesford and there are about double that number at the Creswick Woollen Mills. These are industries that we simply cannot afford to lose.

The company was very nearly sold to another company in Geelong. I gather that got very close but, regrettably, those negotiations fell through. It would be an utter tragedy, in my view, if the administrators, KPMG, allowed this company to be broken up. I do not pretend to understand fully what the assets of Linda Industries are, but I do know that this company is successful, is an Australian company and is making an Australian brand name. It produces 50 per cent of all electric blankets in Australia, and it has a name we all know very well—it would be a great tragedy to lose it.

I appreciate that the issue for the administrators is that they are required to optimise the maximum returns to the creditors of Linda Industries. But there are not a lot of textile companies that I go to where the machinery is worth anywhere near what the employees of those companies are worth to their communities in rural and regional areas. I beg KPMG to go out and to pursue whatever opportunities are available for this company to be sold intact for the benefit of these employees. Some parts of the town of Daylesford have unemployment levels of 11 per cent plus. Creswick is a small rural community which has been battling to keep its head...
above water, but it is full of good people who want good things for their town. I do not pretend to know as much about The Smith Family, because it is not in my electorate, but I would be very surprised if the same thing did not apply to the employees of The Smith Family. KPMG have a responsibility to the creditors, but I would be very surprised if the creditors of Linda Industries did not want to see this Australian company continue to produce an Australian product under a well-known Australian brand name. I urge, beg, entreat—whatever is required—KPMG to pursue every single opportunity that is available to allow this Australian company to continue so that my constituents who work there, those in the districts supplying them and the personnel in the electorate of Wannon, represented by David Hawker, can continue doing what they do well. I thank the House.

Electoral System: Liberal Proposal

Mr DANBY (Melbourne Ports) (10.50 p.m.)—This evening I rise to draw the attention of this House to a mean-spirited attack on the democratic access for all, which constitutes the Liberal Party’s submission to the 1998 federal election report. Being a local member, I know that an election being called is an act that spurs many who were previously not enrolled to enrol, simply so that they can have their say. There may be a particular issue that is bothering them, or it might be the first election in which they are eligible to vote. Whatever the reason, the fact is that, between the time an election is called and the close of the rolls, approximately seven days later, there is an influx of new enrollees. An example of this behaviour is contained in the statistical data pertaining to new enrolments prior to the closure of the electoral roll in the lead-up to the 1998 election. The election was announced on Sunday, 30 August, with the writs issued the next day. The roll then closed seven days later, on 7 September. In that time, the Australian Electoral Commission processed 351,913 enrolment forms, and this figure was below average due to the relatively high number of elections in the preceding two years.

In my view, the only reason that the Liberal Party can be doing this is to disenfranchise new and first-time voters. A total of 67,000 17-year-olds will take this opportunity to enrol in their first election, and I cannot understand a major political party making a submission that would effectively disenfranchise them. The Liberal Party might think that they are being clever by closing the rolls earlier and eliminating a large chunk of eager young voters or transient voters—many people in my electorate live in rented accommodation and apartments—because their polling might be more likely to favour Labor. Who knows? One thing I do know is that such people will eventually get themselves on the roll and cast their vote for whomever they wish. We do have elections every three years in this place which, as a recent article in The Eye pointed out, allows us to get rid of bad governments relatively quickly, and it almost happened in 1998.

This submission by the Liberal Party to the Joint Standing Committee on Electoral Matters was cynical and transparent in its motives. There is a vague reference to inaccuracies in the roll caused by an influx of new enrollees immediately prior to the election, but this is a thin argument indeed when you consider the ramifications for the 351,000 people I mentioned accessing the democratic process. Let us not forget that we live in a democratic country and that voting is compulsory here. There is always an ongoing debate regarding the pros and cons of compulsory voting simmering in the background, but to maintain the integrity of our system we as elected representatives need to ensure that our system is fair and as easily accessible as it can possibly be. By leaving the roll open for a further seven days after the issue of the writs, a significant element of fairness within our system is maintained, particularly if you are one of those 351,913 people who lodged their form in that period. I draw the attention of the House to this very undemocratic submission by the government to the joint electoral committee. I hope that the committee in its deliberations will see that that idea is not pursued.

Forde Electorate: Killarney Glen

Mrs ELSON (Forde) (10.54 p.m.)—I rise tonight to bring to the attention of the parliament a remarkable example of how govern-
ment is working in our local communities. At the weekend I was delighted to announce to nearly 300 concerned constituents that this government has found a resolution to a long-standing dispute over the beautiful property, Killarney Glen: the defence department’s compulsory acquisition of it and the community’s desire to ensure ongoing public access. There would be few members in this place on either side of politics who do not know about this issue. I would like to acknowledge once again in this place the life-long commitment the Fitzgerald family have to the property and the crucial role they have played in the preservation of Killarney Glen. The Fitzgerald family have enjoyed a very public, very long and very frustrating fight to ensure continued public access to Killarney Glen, truly God’s own country. On behalf of local residents I want to thank the Fitzgerald family. Many Australians are grateful to them for their determination and dedication, without which this special place would have been lost to us. I look forward to working very closely with the Friends of Back Creek Gorge to ensure that the achievements of the Fitzgerald family and the love and spirit of Paddy, in particular, are always remembered in Killarney Glen.

I want also to acknowledge in the House the efforts of the Canungra Land Warfare Centre, particularly those of Commandant Bowen, in meeting with the defence minister’s adviser and working to negotiate a positive outcome. As a community, we are proud of our Defence personnel. The men and women who serve us at Canungra are also vital members of the local community. Many of them have supported the efforts to preserve Killarney Glen. I thank the Land Warfare Centre for their cooperation and their ongoing willingness to work with the Friends of Back Creek Gorge and the community. I also want to thank the Friends of Back Creek Gorge, the Beechmont and Canungra progress associations and the many individuals who have supported the Fitzgeralds and who share their affection for Killarney Glen. Special thanks go to Kim Wilson, Leigh Carlson, Colin Pearce and Guy Baggott for their drive, determination and support. As I said at the outset, successive governments of the day have chosen to ignore this issue, to put it in the too hard basket or, worse, to make promises they did not intend to keep.

I want to acknowledge in this House the willingness of the defence minister, Mr John Moore, and the Prime Minister, John Howard, to listen to my representations on behalf of the local community. Despite the department’s briefs and the it-cannot-be-done approach of some Canberra bureaucrats, the minister and the Prime Minister listened to us, insisted on a resolution and helped ensure the community outcome which was favourably received on the weekend. The Friends of Back Creek Gorge, other supporters and the Fitzgerald family themselves all acknowledge that the decision to allow both the Land Warfare Centre and the local community to use Killarney Glen was a fair one. Based on current Army activity and training schedules, the community will be enjoying access for most of the year. There will be times—approximately three weeks in every 15—when the training activity will take precedence. The community will have advance notice of when this will occur. For the remainder of the year, approximately 75 per cent of the time, the Fitzgeralds and the local community will be able to come to enjoy Killarney Glen and work together to preserve this beautiful place. I believe this is a workable outcome. I am very hopeful that, for the sake of ensuring the future of Killarney Glen and continued access for the local community, the past will be put behind us. I want to assure my constituents that I will be working closely with them, the defence minister and the Land Warfare Centre to put these arrangements into place and ensure that they work to everyone’s satisfaction.

As I said at the outset, we have to work together in an appropriate way to ensure that the Fitzgerald family are permanently recognised at Killarney Glen—a monument outlining their struggle and the wonderful legacy they have left for the community—and the community would hope to play a vital role in maintaining Paddy Fitzgerald’s Hut. If the energy and drive that we have all put into fighting to achieve this outcome can be directed to preserving this property and sharing it with the community, we can build upon Paddy Fitzgerald’s work and bring a new
sense of tranquillity and optimism to Killarney Glen. Clearly, this is the direction forward. I want to again thank everyone involved in reaching this resolution, particularly the Prime Minister, the defence minister and their staff. After 30 years I know that many people, certainly the media, were generally surprised that a workable outcome had been found and that there was the potential to satisfy everyone. With continued goodwill and cooperation, I am sure that this will be the case. I would also like to acknowledge the role that the Parliamentary Secretary to the Minister for the Environment and Heritage, Sharman Stone, who is in the chamber tonight, played in this. She visited this particular area and everyone in it was very grateful for her support.

Goods and Services Tax: Charitable Institutions and Non-Profit Organisations

Mr MURPHY (Lowe) (10.59 p.m.)—I have received a number of letters of concern from charities concerning the impact of the goods and services tax. One recent representation has come from Mr John Moore AM, the President of the Council of the St Vincent de Paul Society. Mr Moore, in his letter to me, notes that:

Official assertions that charities are GST exempt, because they can claim back GST taxes paid on inputs to charitable goods and services, are manifestly not the case.

Mr Moore also makes the very valid point that:

The compliance cost for Australian charities nominally declared free of GST is in fact many millions of dollars.

The relevant provision to which Mr Moore refers is subdivision 38G of the A New Tax System (Goods and Services Tax) Act 1999. Mr Moore is right. The GST will be a nightmare for charities to administer. The government must give GST-free status to all charities along the same lines as charities now being exempt from the wholesale sales tax.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! It being 11 p.m., the debate is interrupted.

House adjourned at 11.00 p.m.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 4.00 p.m.

APPROPRIATION BILL (No. 3) 1999-2000

Cognate bill:

APPROPRIATION BILL (No. 4) 1999-2000

Second Reading

Debate resumed from 13 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 whilst not denying the Bill a second reading, the House condemns:

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

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

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

Mr MARTIN FERGUSON (Batman) (4.00 p.m.)—In rising to speak to Appropriation Bill (No. 3) 1999-2000 and Appropriation Bill (No. 4) 1999-2000, I propose to address a range of concerns to Australia at large, but especially the neglect of regional and rural communities under the Howard government. In four years we have seen the abandonment of regional development and the wholesale withdrawal of regional services. Those are issues that you well understand as a regional member, Mr Deputy Speaker Nehl, a member who I believe in his own mind and heart understands that he has had his electorate let down as a result of events over the last four years.

When every critical decision has been made, the government has in essence placed profits before people. It is also fair to say that in some circumstances it has placed metropolitan Australia before the needs and aspirations of rural and regional Australia. Unlike some on the other side of the House, I think that in talking about regional Australia you must also broaden the nature of the debate. The difficulties that people experience in electorates such as yours, Mr Deputy Speaker, are similar to the difficulties experienced in seats such as those represented by me and other members in metropolitan Australia. The real debate when you come to consideration of issues of regional disadvantage is the debate about locational disadvantage.

Unlike ministers of the Howard government, I consider that in debating the issues of regional Australia we should not seek to intensify the so-called gulf or divide between regional and metropolitan Australia. It is about trying to gain a proper understanding in Australia at large that, in some regions and suburbs of metropolitan Australia, the challenges that cause disadvantage are similar to those that exist in large areas of rural and regional Australia beyond the metropolitan cities.

Whilst the issues relate specifically to what could broadly be described as rural Australia today, I suggest that they are the challenges that also confront some areas of suburban Australia. The primary cause of a lot of these problems is the Howard government’s approach, which
is a hands-off approach. It is one based on saying, ‘It’s not our responsibility to get our hands dirty and get involved in trying to overcome locational disadvantage.’ It really goes back to a primary and an ideological approach based on the concept of a trickle-down approach that I argue very strenuously does not work. It has not worked internationally over many decades when you come to a question or debate about development and the have or have-not nations nor does it work in Australia when you consider the issues of locational disadvantage, be it rural or suburban Australia.

The trickle-down approach does not work. It requires activism in government, a willingness by government to get their hands dirty, make decisions and bring in program support aimed specifically at overcoming some of the problems of locational disadvantage. Then there is access to education and transport and questions of one’s capacity to undergo reasonable training opportunities when one loses one’s job and simple issues such as access in the future for many people to a reasonable communication system, including access to the Internet. In recent times we have had an overheating Sydney pushing up interest rates, while the rest of the nation is barely thawing out. That is the truth of the matter. Sydney is surging further and further ahead of the rest of Australia. For example, interest rates have been rising to slow things down but over 220 areas still have double-digit unemployment.

People will remember that the Howard government abandoned the Office of Regional Development and, in doing so, abandoned 220 staff and their families, many of whom had a great attachment to regional Australia. At the time the government proudly declared that there was no role for the national government in regional development. What a different message and impression they are trying to create at this point, four years on. The problem is that people have not got short memories. They remember that decision. They remember the impact of that decision on their local community. The opportunity was there to help regional and rural communities. The Howard government, with its so-called National Commission of Audit tucked under one arm, said, ‘Sorry, mate, you are on your own. There is no role for government in helping your region. On your bike; you are on your own.’ That was the message of the Howard government to a lot of people out there in regional Australia who were crying out, not for handouts, but simply to have a government in Canberra that actually cared about their needs and aspirations, that actually cared about their community, that actually cared about their family. The message was, ‘You are on your own.’

The real tragedy is that, four years later, it is clear that, unfortunately, they have not learnt. Mr Deputy Speaker, if you go and talk to the people of Nyngan today, you will find that they listened very carefully yesterday to the Prime Minister’s response to a fairly fundamental question about the future of Telstra in the bush. He made that so-called commitment to regional Australia not that long ago, on his whistlestop tour just after Christmas when he wanted to try to create the impression that he was back at work, that he actually cared about regional Australia, that he actually cared about jobs in regional Australia. He decided to go to places such as Quorn in South Australia and Nyngan in New South Wales. He tried to tell regional Australia that he actually cared about them; that he was going to send a letter to all his ministers saying that he now required them to make sure that there were now going to be no further job losses in regional Australia.

A couple of weeks after that so-called ironclad guarantee and that so-called statement that ministers were not going to be advised but instructed that this was the new world regime for regional jobs in Australia, he had not even got around to sending the letter out. He had not even got around, as we revealed during Senate estimates, to sending the letter out to advise ministers that he had found the way; that he was now concerned about regional jobs. Not only was he tardy in getting the letter out; we are still not sure whether the letter has actually been sent. We can hardly wait for the next Senate estimates to explore that issue. We then had the
Prime Minister up on his tippy-toes yesterday in the House, having been asked a fairly simple question with respect to Telstra which was very important to the provision of services and access to infrastructure in regional Australia, in association with providing pretty good jobs. To give Telstra its due, it is a good trainer. Historically, Telstra has prided itself on its ability to train people and to produce good workers. Regional Australia has required and depended on that skills structure over many years.

What was his answer when we sought guarantees about the Nyngan declaration and where Telstra stood with respect to its so-called potential job cuts—job cuts that will disproportionately fall on regional Australia when you consider the loss of population? He said, again, ‘Hard luck, mate, you’re on your own.’ That commitment, that Nyngan guarantee, does not apply with respect to Telstra. Yet again, the Prime Minister was seeking to create hope in regional Australia, but yet again the Prime Minister was turning his back on the needs and aspirations of those regional communities.

It is for that reason, Mr Deputy Speaker, that you must examine in detail last year’s budget documentation and what it says about regional development. Look again at what the Prime Minister’s deputy leader says. John Anderson, a man with many titles—Minister for Transport and Regional Services, Deputy Prime Minister—is, I suppose, best described not as the member for Gwydir but as the member for Red Hill, because that is where he resides, but he seeks to go around regional Australia on irregular visits suggesting that he is concerned about the needs and aspirations of regional people. This is what the Leader of the National Party of Australia said:

The federal government’s primary focus is assisting regions to realise their enormous potential has been to deliver sound macro and micro economic management of the Australian economy.

I bet that went down well in Moree and Nyngan. This is what is coming from the National Party leader. It is no wonder that people in regional and rural Australia are confused about what the National Party stands for. Rural and regional communities, as you know, Mr Deputy Speaker, as a long-time representative of such a community, are not asking for handouts. They are asking for the support needed to develop their own potential. They do not want government from above. They want to believe that their national government is on their side, actually in there plugging for them; trying to make it a little bit easier in a very desperate situation for them, especially when you consider, for example, the problems which they confront with respect to commodity prices at the moment.

I believe this also reflects a fundamental failure by the Howard government. It is also, I suggest, the same failure that cost the Kennett government the last Victorian election. The Howard government has failed to act as a national government governing for all Australians. As a result, too many people and places have been left behind. The message I am picking up loud and clear is that regular visits to regional Australia is that at the moment there is a very firm belief in the minds of regional Australians that they are missing out. They actually want Australia to do well. They want Australia to kick goals on the economic front. They want Australia to continue to modernise; to invest in education and training and to get a decent transport system in place. But all they want is their fair share of that process of change—their fair share of that increased size of the economic cake. But now they have a very clear view that they are missing out and that they are falling further and further behind.

As a community and as a parliament we should not forget that it was a Liberal and National Party decision that abandoned regional development. We should not forget that it was a coalition decision to withdraw services from regional Australia. We should not forget also that yesterday a very important report was released by the House about the needs and aspirations of regional Australia. One of the very sound recommendations of that report, by a joint party...
committee of the parliament, was that we return services to regional Australia, that we actually think again about doing what the Labor Party did—for example, placing a tax office in Cairns, Launceston or Bendigo, putting the services out there so there is easy access for people in regional Australia and, in doing so, putting government jobs in regional Australia.

For the life of me, I actually thought that was a reasonable proposition and, as a representative of regional Australia, I am sure you did too, Mr Deputy Speaker. But what I find in the media today is that it has been shot down, immediately dismissed—not even allowed to live for 24 hours in the minds of the coalition government. That would be pork-barrelling. We would not want to put jobs and services in regional Australia, would we? That would be pork-barrelling! We would not want to make sure that people in regional Australia could have access to the same services and the same employment opportunities that people in Canberra, Sydney, Melbourne, Brisbane, Adelaide, Darwin, Perth or Hobart have, would we? After all, we could not have that in places like Cairns, Nyngan, Dubbo or Quorn! We cannot even have a post office just down the road in Broken Hill because that would be a service for regional Australia. Or in O’Leary—that would be a bad investment; it would not be economically rational. That is the type of approach that this government gives to people in regional Australia at the moment.

I note with interest the comments made from time to time by people, such as the Prime Minister and the Deputy Prime Minister, about empowering regions and looking after regional Australia. Then I look at reports such as the report in the House yesterday on the future of regional Australia, with its fundamental recommendations about putting jobs and services back in regional Australia, about a better working relationship between local and state and federal governments, about how we could actually empower the regions and give them something back—for all the sacrifices that they made to build this great nation. Straightaway all those practical ideas that came from consultation and community visits and regional discussion were immediately dismissed—not worthy of proper consideration by this government.

I suppose I should not be surprised, because I am talking about a government that is responsible not only for defunding regional development organisations and the department but also for undermining the capacity of those important area consultative committees that were set up by Labor to actually do a proper job in regional Australia. They were vibrant organisations that consulted communities and tried to work out the skills deficits and to get a good department of employment involved in providing regional employment and training opportunities. But an organisation such as that has been turned from a proactive, community type group, representing all groups in the community—business, employers, unions and churches; groups committed to their local regions—into merely a self-promoting mouthpiece for the Minister for Employment, Workplace Relations and Small Business. That is what this government is about. It is not about empowering regions; it is not about encouraging people. It is basically about kneecapping them and making sure that they are not allowed to do something at a regional level that might be in conflict with the narrow-minded approach of this government to regional development.

Regional communities have had enough. I must say I disagree with the editorial of the Australian today which suggests that we are erring on the side of trying to do too much as a national government to try and overcome the disadvantage that exists in regional Australia. If we do not get it right, not only will the perception and the belief continue in regional Australia that those people are missing out but, more importantly, they will give up. We do not want them to give up because they are so important to the concept of one nation, one country, going forward, pulling together and ensuring equality of opportunity in life.
For that reason, we have got to have faith in our people in rural and regional Australia. They are no longer interested in the platitudes of the Howard government. They want change. There is a requirement for change. They do not want a further whistlestop tour by the Prime Minister, followed up by irregular visits from the Deputy Prime Minister, as he tries to get away from Red Hill on occasion in order to try and suggest that he is actually interested in regional Australia, whilst they try and deflect attention away from the real unpopularity of this government in regional Australia.

The retreat in regional Australia will continue from the view that they are part of mainstream Australia unless we do something desperate. That actually means we have got to try and do something about services in regional Australia. That actually means we have got to try and do something about bringing state and local government together in a cooperative way with the federal government to assist in regional Australia. We know that there are not too many Commonwealth services in regional Australia at the moment because the government got rid of them. The question is how we put services back in regional Australia. It is also a question about how we maintain fundamental access to communications, such as Australia Post and Telstra, in regional Australia.

In that context, I believe that it is very clear, and it is reflected in the bills before the parliament and the nature of the programs provided by the appropriation bills, that the Prime Minister has lost the trust of ordinary Australians. He makes a promise that he refuses to keep. He makes a commitment that he later describes as non-core. At the end of the day—as you know, Mr Deputy Speaker, as a representative of regional communities—people in rural and regional communities will judge the Howard government for what it has said and what it has failed to do.

The Howard government has said that there is no role for it in regional Australia. Well, if the Howard government wants a few ideas on how to keep regional communities, it ought to have a look at the *State of the regions* report from the National Institute of Economic and Industry Research. It could look at the Jesuit Social Services report on locational disadvantage. It could look to the Institution of Engineers report on our decaying infrastructure. It could look to the report out of Queensland University on community opportunity and vulnerability. And, of course, it could look to yesterday’s report—so appropriately named for the Howard government—*Time running out: shaping regional Australia’s future*.

Time is running out for the coalition government in regional Australia unless it gets its policy mix right, unless it overcomes four years of neglect. While looking at these reports, the Howard government should take them on board and get out and talk to rural and regional communities. What the Prime Minister and the Deputy Prime Minister will find are countless people with a passion for the local communities. People have the local solutions to the local problems, but they need a government that is on their side.

I want to take this opportunity to congratulate the members from all political parties on the House of Representatives Standing Committee on Primary Industries and Regional Services for their report, *Time running out*. Members from different political perspectives came together to offer a vision for regional Australia. I know they have invested their time and energy in this report, and I commend them for their efforts. But I hope that the report does not fall the way of other reports to the Minister for Transport and Regional Services which have been left to gather dust. Just ask those in the transport industry what he does with reports—he sits on them and fails to respond to the need to improve railway infrastructure in Australia. The simple message that people are telling the Liberal and National parties is that they expect a national government to stand up for the interests of all Australians, not just the privileged few in...
the elite suburbs of Sydney and Melbourne or, for that matter, Red Hill, where the minister for regional Australia resides.

The challenge for the Howard government is to hear that message—and I am sure you are listening, Mr Deputy Speaker, because I sometimes hear you echo it, especially to the Treasurer when he puts his foot in it, such as with the proposal to cut wages in regional Australia for nurses, teachers and police officers. But I did not hear him say the same about salaries of members of parliament representing regional Australia, Mr Deputy Speaker. Perhaps he might need your vote one day.

The challenge is to show people that our national government is prepared to work with communities and for communities. We have had enough of neglect, we have had enough of the cuts and we have had enough of the government walking away from its responsibilities. What is required now is a major change of policy direction and a major change of heart. We know that the current Prime Minister likes whistlestop tours but he does not like actually doing the hard work of trying to assist people in regional Australia. I therefore commend the second reading amendment to the Main Committee this afternoon. It really is about drawing proper attention to the failure of the Howard government to be a government for all Australians, especially people in rural and regional Australia. (Time expired)

Ms ROXON (Gellibrand) (4.21 p.m.)—It is appropriate that I am speaking on this Appropriation Bill (No. 3) 1999-2000 following my colleague the member for Batman, who has been speaking about regional disadvantage. One of the important issues that I would like to raise today is an issue that relates to my electorate, which is a suburban electorate—an inner metropolitan electorate, in fact. The inner western suburbs of Melbourne, particularly Braybrook and Sunshine, are described as metropolitan areas that suffer extreme disadvantage, both locational disadvantage and urban disadvantage—and we are a region in the western suburbs of Melbourne, as the member for Batman has pointed out.

This government is now keen to talk about regional Australia. I must say that it has had to be dragged screaming and kicking to talk about regional Australia. I guess the recent Victorian election has been one of the reasons that the Prime Minister has suddenly decided that he needs to pay some attention to regional areas. What has happened instead, though, is that we have seen a knee-jerk reaction driven by the polls and a fear, which is a legitimate one, that this government will be thrown out at the next election by people in the regional seats.

My concern is, however, that the debate raises some divide between the city and rural areas. The reason that the Labor Party has been so actively pursuing the issues of regional development is that we have a view about the fundamental things that people in this country can expect, whether they live in the country or in the city, whether they live in my seat in the inner western suburbs of Melbourne or in Mr Deputy Speaker Causley’s seat in the country. There are a number of issues, many of them common to both areas.

My reason for raising this initially was the dispute concerning the Braybrook Manufacturing workers in my electorate who were retrenched last year. Their company was insolvent and they have not received their legal entitlements. Indeed, at this stage they probably have no expectation that they will, given that the government has refused to provide a special deal for those workers. I know that Mr Deputy Speaker has had meatworkers in his electorate who have suffered the same fate. It is very difficult for those of us who are seeking to represent workers to listen to this government saying that they are taking adequate steps to deal with the disadvantage that people suffer, either in regional rural areas or in regional areas that happen to be urban and metropolitan like mine.

I am going to speak in more detail about the industrial relations implications of the Braybrook Manufacturing workers in a speech tonight in the House, but I do think it is important
for us to look at this issue because those workers, it can clearly be said, have been victims of bad management. Certainly anything that we say in the House about the responsibility of government to look after people who are victims of such management is not supposed to provide an excuse for the employers who clearly have done the wrong thing in not making provision for workers’ basic entitlements. They are the worst type of employers and I think all in this House agree that they do not make up the majority. Unfortunately, though, we do see more and more businesses having a total disregard for employee entitlements. But that is no excuse for this government to pick and choose between the workers that they are prepared to assist, pick and choose between the country and city, pick and choose between industries and pick and choose between seats. It is also no excuse for this government to introduce an inadequate scheme for any further employees who end up in this situation.

What could have helped these workers, other than picking up the type of insurance scheme that the Labor Party has been talking about which would guarantee people’s entitlements? Obviously, a government should encourage decent employment practices and proper management. The government can assist in identifying the changing nature of various industries and, if the managers themselves are not able to recognise the changing nature of industries, the information that the government can provide, if it is more widely available to unions, workers, teachers and trainers, means that people working in such industries, who are likely to be victims of retrenchments on a large scale, have some opportunity to get themselves retrained and to plan ahead for their employment in the future.

Obviously, some regional planning assists in this too because some areas are going to be hit more heavily than others. My electorate is one where the changing textile industry has had a huge impact on employment. The government should have some role in providing targeted assistance for people and for some training, but the government has done nothing in these areas. The reason I go through this list is that the Workforce 2010 research, which has been released in the last months by the Labor Party, says that we can identify an important role for the national government in forecasting the type of work force that we are going to need in the future, in identifying the skills that that work force is going to need, in providing assistance in areas where we are moving from older to new economies and making sure that all people in all regions are going to be able to benefit from the growth in the new market areas.

Unfortunately, all we have seen from the government in response to this is a scathing attack stating that forecasting the sorts of skills that we need in this country is not going to be of any assistance to people out in the community. Certainly, I can say that for people in my electorate it would be of great assistance. It would be of great assistance even in our secondary schools, in our TAFE colleges and in our universities for people to be able to look at and seek to obtain the sorts of skills that they think will give them the best chance of being employed in the future. The parents in my electorate have been through a cycle of severe disempowerment. Also, many of them have been unemployed. Some of them still are unemployed. The unemployment rate, especially the youth unemployment rate in my electorate, is so high that parents are beginning to despair that their children will not have the opportunity to improve their lives.

Many of the people in my electorate who have come from other countries to Australia, as a land of great opportunity, and have worked hard for all the time they have been here, have dreamt of their children being able to do even better in their lives in Australia. What they see around them and the lack of information they have about the sorts of jobs they should be encouraging their children to do is seriously disappointing for all of them.

I am concerned that the response that the government has given on the issue of Braybrook Manufacturing workers, compared with the National Textiles workers in the Hunter Valley, has really been just a knee-jerk reaction because of the sensitivities I referred to before about
regional Australia. If we persist in creating some sort of mythical divide between the city and the country, we seem to be creating the problem that we were meant to be responding to. We were actually responding to a problem where regional and rural areas were saying, ‘We are not getting a fair deal. We are not getting the same as the cities.’ Instead, we run the risk of paying attention to only the rural areas and forgetting that there is also severe disadvantage in the cities. It is not and should never be a competition between the regions of disadvantage. We are not trying to outdo each other in terms of which region is suffering the most. It is not a competition in loss. It is not something which we are trying to fight, to prove that we have had a harder time than everyone else. It reminds me of the *Monty Python* movies. I would not like to be in an argument with the Deputy Speaker about whose region was the most disadvantaged and who had to get out of bed to walk 20 miles to school—as many of you would remember in those movies. It is about us, as representatives in parliament, wanting to make sure that all people, wherever they live, have the basic requirements that we expect in our community.

The member for Batman already briefly referred to this government’s decision to destroy and abolish the Office of Regional Development and de-fund the regional economic development organisations or REDOs. In my electorate, we do still have a ‘WREDO’—the Western Region Economic Development Organisation—but it is not federally funded. It has been maintained only by the assistance of local industry and state and local governments. It is providing some of the infrastructure at a local level that can be provided to businesses and to people seeking employment in the area, but it needs assistance at the federal level, and it needs information about trends across the whole nation to be able to properly do its job.

Another comparable area of disadvantage is that we have heard a lot about bank closures in rural areas. We have had many bank closures in the western suburbs of Melbourne. I think the west and north-west of Melbourne have actually had the largest share of bank closures. It is very difficult for us to be able to compare these statistics because the banks will not provide the information to us. But I know anecdotally about the local story. Even going back just to the time since I was elected in late 1998, we have had the closure of the National Australia Bank in Yarraville, the ANZ Bank in Yarraville, the ANZ Bank in Highpoint, the Commonwealth Bank in Newport and, if we go back only a few years further, we have had closures in Seddon, West Footscray, Spotswood, Braybrook and Kingsville—the National Australia Bank, the Commonwealth Bank, the ANZ Bank. It is the same story that we are hearing in rural areas. A number of these closures have left local strip shopping areas with no banking services whatsoever, and they are facing the sorts of difficulties that many regional towns do.

Obviously, the problems are slightly different. There are opportunities, if you live in a metropolitan area, to travel to another suburb. There are opportunities to change banks in some circumstances. But we lose something else that in smaller regional towns is not lost. We lose the sense of community. We lose the familiarity of dealing with local people when we go in to do our banking. For many people, they lose the only contact that they have with local bankers and local workers in the area.

I want to draw the House’s attention to the Reserve Bank of Australia’s figures that have been provided to us about bank closures between 1993 and 1998. There have been 1,706 bank closures, which is an extraordinary figure in that time; 615 of those are in rural and remote areas. That is certainly a damaging number of closures in those areas. But the other 1,091 have closed in metropolitan areas and they have not been evenly distributed across those metropolitan areas, and communities like mine are suffering because of that.

I urge the government to take up the comments that have been made by our spokesperson for banking services on looking at a proper community service obligation for banking serv-
ices. Perhaps an inquiry into the social and economic effects of the withdrawal or reduction of banking services on suburban communities is something that a Senate committee could look into.

These suburbs are struggling suburbs. They are struggling because they have high unemployment, they have difficulties with school funding, they have, at the same time as they have banks closing, more and more gambling venues opening up. I would like to commend the Victorian government on the steps that they have taken in trying to deal with the issues of 24-hour gambling and in trying to bring under control the absolutely unprecedented boom in electronic gaming machines following the election of the Kennett government in 1992 in Victoria.

In Victoria, we have gone from the ridiculous position prior to 1992, when electronic gaming machines were legalised and the decision to support the casino was passed by the Kennett government, when it actually spent half the Australian average on gambling. For Victorian households, I think the figure was that 0.74 per cent of their household expenditure was devoted to gambling. That was half the Australian average. But in less than four years, we have actually reversed that. In Victoria, per household, we spend double the national average. That is an enormous increase which is causing great dislocation in our area. Certainly, the figures show that, after the last seven years, every adult in Victoria—if it were spent evenly—spends $2,532 in gaming venues. That is an extraordinary amount of money that the community could use much better if it controlled it itself; certainly, the individuals could as well.

I would like to commend the Victorian government for taking some steps, but I would urge them to go further. The restrictions on 24-hour gambling are intended to be introduced only in rural areas. I understand that there are serious impediments to the government trying to introduce the same restriction in urban areas because it would effectively give the Crown Casino a monopoly, which is certainly not something that should be encouraged. But we need to look at creative ways of making sure that neighbourhood gaming facilities in our communities are regulated in some way. Stopping 24-hour gaming does provide an opportunity for people who have serious gambling problems to take stock. They are forced to look at how much money they have lost. They are forced to return to their families for a short time and, hopefully, that may even help to break the cycle for some of the serious gamblers in our community who are suffering from this sort of disability and who do need some assistance. The government certainly have a role to play in regulating that.

I have traversed a wide range of issues. Housing is an issue which is of great concern to both rural members and members living in electorates like mine where we have a public housing waiting list of about 6,000 people. I encourage the government to broaden their horizons, to look at the sorts of comments that the member for Batman was making earlier and, when they are talking about regional areas, to consider regions in metropolitan areas like mine. It is only a short drive from the CBD to my electorate across the Westgate Bridge, but for many people in Melbourne it is an enormous gulf to cross. The western suburbs of Melbourne have some fantastic assets, but we need assistance and sensible planning on what would be appropriate to solve some of the regional issues that we have in our community.

Dr Lawrence (Fremantle) (4.36 p.m.)—Mr Deputy Speaker Causley, I am speaking today on a matter that I hope is close to your heart. It certainly should be to the majority of Australians. I think we are all now well aware that many of our practices, both in production and in consumption, are not sustainable. We have all heard about the depletion of the ozone layer, degradation and loss of soils, air and water pollution, deforestation and global climate change. We have also heard about the depletion of our resource base or, in some cases, making it more expensive to extract and more energy intensive.
We understand, in broad terms, the impact on natural systems, including biodiversity. The time has come for all Australians to urge governments of all colours—and indeed to urge ourselves as individuals—that in order to satisfy our needs we need to redefine them and reduce the impact on the earth’s natural resources. It is clear that our current patterns of energy are not sustainable. I well understand that finding modes of human development and economic growth which are genuinely sustainable is a very complex task. It requires a close understanding of our physical, chemical, biological and indeed our social, political and economic influences. In a way, I suppose, it is entirely understandable that many have concluded that the task, being so complex, is simply too difficult and some have prayed for technological miracles. Most political leaders, it has to be said, behave as if they hope the problem would just go away.

Not many members would be aware that, in 1992, all Australian governments adopted a national strategy for ecologically sustainable development, endorsed it and then, frankly, did very little about it. In 1996 we as a nation produced a comprehensive report on the state of the environment. So we had the starting points for change. But there is little evidence that the agreement or the state of the environment report has changed any governments’ behaviours—and I include all political parties in that.

What we need is sustainable development. The state of the environment report identified the key problems that we face as a community: loss of biological diversity, which is the most serious; destruction of habitat principally from large-scale clearing; and the loss of soils, which is also critical. We have five per cent of the world’s land area, but we account for nearly 20 per cent of soil loss. We are losing soil faster than it can be replenished. Everyone should understand by now that salinity is the major crisis for agricultural land—increasingly so for our towns and cities and for those who rely on water supplies. John Williams from the CSIRO recently stated:

Present land use systems are unsustainable in the long-term, as widespread degradation of land and water is already warning us.

I feel a lot of sympathy with the people at the CSIRO, and various government programs, who have been trying very hard to get the community to listen to the fact that there are serious problems. The annual losses estimated by the CSIRO due to soil erosion, salinity, acidity, water logging and loss of soil structure and water quality already total around $1.5 billion per annum. As a nation we are reluctant to face up to the scale of the scientific and farming challenges that that represents; indeed, that is a major barrier to the progress towards sustainability. In a way, we do not really want to know about it.

I want to talk, perhaps in a little more detail, about salinity. It might seem odd that a member representing a metropolitan seat would be concerned about this issue, but as a West Australian, as a daughter of a farmer and as an Australian, I am conscious that this is an issue which will cost the whole community very dearly unless we address it. I know that my constituents are very concerned that we implement proper environmental management throughout the country.

Everyone should be aware that large tracts of regional Australia are dying—I do not think that is too strong a word—as a result of increasing salinity. Indeed, the CSIRO describe the war on salt—that is their language—as Australia’s greatest battle, and yet it is one that many Australians do not recognise we are enjoined in. Dryland salinity, which is perhaps the major problem in terms of extent, occurs when the concentration of soluble salts near the soil surface is sufficient to reduce plant growth: it may not always be obvious in the salt on the surface but it is starting to have an impact. What it does first up is to result in the loss of agricultural pro-
ductivity and in the loss of natural bush habitat, in rising salt in buildings and other structures, and damaged roads. It is very costly.

Estimates of the scale of the problem vary, and are rising as people get better information, but in 1996 it was indicated that about 2.5 million hectares of land were affected by man made, as opposed to natural, salinity—and that is growing at the rate of five per cent per annum. More recent estimates put it even higher. In my own state, there is an estimated 1.8 million hectares of farmland affected by salt, as at that date, and predictions are that this area could increase, in fact, double, over the next 15 to 25 years and then double again before reaching equilibrium. In this process, it will have engulfed almost a third of all existing agricultural land and devastated much of the remnant native vegetation. The cost to the community is enormous.

Nationally, by the time a new hydrological equilibrium is reached in 50 to 100 years, it is estimated more than 15 million hectares will have been affected adversely. Research from the CSIRO indicates that it may well take generations to restore some salt affected landscapes to fertile conditions—that is if we act now, and act comprehensively—while others may never recover. What is suggested in some places is revegetation rates of up to 80 per cent of some catchments. The response times to salinity control, whatever measures are used, will be very long indeed.

The salinisation of rivers draining the WA wheat belt, for instance, is already causing a massive loss of biodiversity. It is causing a loss of farm productivity and therefore of asset values. It has a big impact on the rural community over and beyond the problems they already face with the reduced commodity prices. We need to recognise that every hour we lose to salinity an area equal to one football field or 85 typical suburban blocks. In Western Australia, 80 per cent of remnant vegetation on farms and 50 per cent on public lands are at risk. This is a monumental problem. There have been suggestions that we do not need to worry about it; that we use drains and pumps instead of biological solutions. Not only would they be energy consuming and very costly to implement; they would also impact on local rivers and creeks and would simply, as the CSIRO put it, shift the disaster somewhere else.

Of the 25 millions hectares of land in south-west Australia, over 18 million hectares have been cleared—and therein lies the problem. The link between clearing and the development of salinity was recognised 70 years ago, yet little has been done about it. And we now have a minister who laughingly carries the word ‘conservation’ in his title who is still advocating further clearing in my own home state.

Mr Sercombe—The log minister!

Dr Lawrence—That’s the one. We are steadily and, some would say, irreversibly reducing the capacity of the land to support pastoral and cropping activities, so it is both environmentally and economically extremely stupid. The CSIRO’s Graham Harris, amongst others, has been trying to alert government and the community to the scale of the problem and the consequences of complacency and inaction. The recent National Dryland Salinity Program options paper, which I would commend to members—it is available; it was published in January 2000—indicates that we need to acknowledge that:

Australia’s current institutions—that means governments, departments, agencies—are not working effectively and that they need to be strengthened or replaced if we are deal with this major National problem.

They point—I think fairly, it has to be said—to an apparent policy vacuum surrounding dryland salinity. They warn, too, against the economic philosophy that advocates putting off
tackling problems such as the state of the nation’s rivers and the salinity crisis until we can afford it: ‘Just wait a bit and we will get a bit of extra money and then we will tackle it.’ In fact, the market economy may appear to be working, in some senses, while severe environmental damage is being done.

It needs to be said, and said often, and not just by the scientists at CSIRO and those working on the National Dryland Salinity Program, that this is a major threat to Australia’s future, not just to our agricultural land. It is one affecting Australia’s sustainability—economic, environmental and social; if you think of the impact of rising salt levels in country Australia, it is enormous.

It affects both irrigated and dryland and requires action by all levels of government and a significant investment. There is no way around that. The cost of remediation estimated already exceeds the annual crop value. That is something to be conjured with: to fix it up, we need to spend more than we are earning from the crops planted on those lands. The root cause is inappropriate land use practice, including excessive land clearing. I remember when I was growing up, it was just the thing to do for farmers in marginal wheat country in Western Australia to get out with a couple of bulldozers and a chain between them with a heavy ball, rolling through the scrub. It was considered bushland that was unproductive. I well remember one property—and my father will forgive me for telling this story—where the owner told us, ‘Don’t clear that bit of land because it will go to salt.’ Sometimes it takes decades for salt to appear; in this case it was just a few years and he was absolutely right.

We have taken too little account of the unique nature of Australia’s ecosystems. We have continued to behave like Europeans and we have not looked at what is under our noses. The consequences of massive clearing and replacement of native vegetation with shallow rooted grasses are rising ground waters, increased salt load in the rivers, eroding soils and reduced biodiversity. We have had a program that some have suggested was going to solve this and other problems. The Natural Heritage Trust was described as the largest environmental repair and management program in Australian history, to quote the minister. It was said that the $1.25 billion that would be spent on the Natural Heritage Trust from the sale of Telstra would ‘deliver a better environment for all Australians, cleaner beaches, less air pollution, healthy rivers and waterways, more productive land and increased protection of our unique wildlife.’ That was a bit of a hard ask, I have to say, for $1.25 billion.

The reality is, of course, as it was always going to be, far less impressive. Three years into the five-year $1.25 billion program it is clear that the Natural Heritage Trust is failing to deliver on its promised outcomes. Eventually when the mid-term review was released, and along with the observations of many experts in the field, it was clear that the performance had been very patchy. That is not surprising. The program is not properly designed to meet these environmental problems, and it has had little impact on key environmental problems including, and perhaps especially, salinity.

The specific review on dryland salinity, and again I commend it to members, points to the fact that only a small percentage of the funds—only $37.6 million or 11 per cent—was allocated to the 484 projects over five programs to address salinity, whereas the cost per annum already of dryland salinity is $270 million and rising. This was described by the reviewers, I think fairly gently, as ‘disproportionately low’. The report also observed wryly: The distribution of funding differs from the distribution of areas affected by dryland salinity. Criteria other than the extent of salinity must have been used to determine the allocations but these have not been made explicit.

Try marginal and government held seats for guidance. The reviewers went on to say:
Efficient use of Natural Heritage Trust funds requires the use of allocation criteria based on the best available understanding of the processes and range of costs of dryland salinity but it is not clear that these criteria have been developed or used.

It is time to stop playing politics with this very important issue and for all governments, not just the current federal government, to recognise the scale of the problem. It is not possible, as the reviewer said, to do it with this sort of approach with projects involving too few people, too little of the landscape and representing too little change in attitudes to make a real difference. What we need is a substantial change in community attitudes, a substantial change in government priorities and a substantial redirection of funds toward this very significant problem.

As the reviewers put it, ‘unless there is a much more substantive and strategic effort’ directed to the problem, much of the assistance that is provided, and is recognised to be provided under the Natural Heritage Trust, is likely to produce little national benefit. Given we have sold Telstra, at least in part, in order to overcome some of these problems, that is a damming conclusion. They further conclude that ‘the appropriateness of the Natural Heritage Trust approach is questionable as a means to deal with this difficult problem’—and so say all of us.

If you look at the scale of funding provided here, much was made of its size, but it is less in total over five years than is spent on the private health insurance rebate every year. It really does not seem to be given the priority it deserves. I have to say that I am very disappointed that the government has given away substantial tax revenue because it has to ‘compensate’ for the introduction of the GST.

What we are likely to hear—and I bet I can predict this down to the last detail in the statement—is that the government will claim that it cannot make any further funding available under the Natural Heritage Trust, or any replacement program like it, unless we agree to the full sale of Telstra. Given that it has already wasted the Natural Heritage Trust money in large measure, that certainly is not a message that I think anyone will see as a reasonable one to solve this very severe problem. I believe it is obscene to trade Australia’s future prosperity for a short-term political measure which is of dubious merit and which destroys a revenue stream critical to solving this and other pressing problems. And, as the minister has done today, threatening to belt the state governments around the ears and withdrawing funds is simply no way to achieve results.

What is required is a massive, nationwide cooperative enterprise on a scale never before witnessed in Australia. We have to reach agreement on national goals, and that means at all levels of government. We have to provide information and stimulate community debate so that people understand just how serious a problem this is, and we have to work through differences in various interest groups, whether they be foresters or farmers, so that policies developed can be accepted by all stakeholders and so that the costs are borne reasonably throughout the community. At base, we need to bring about a radical change in the way land is used and managed and we need a concerted effort, involving goodwill, to develop suitable policy instruments, including a substantial revegetation of areas which are the main source of these salt loads.

Ms PLIBERSEK (Sydney) (4.51 p.m.)—Many of the previous speakers today and over the past days in the debate on Appropriation Bill (No. 3) 1999-2000 and Appropriation Bill (No. 4) 1999-2000 have been speaking about millions of dollars, tens of millions of dollars or even, as the previous speaker, the member for Freemantle, Dr Lawrence, mentioned, billions of dollars—$1.2 billion. But I rise to speak about a program which is costing the Commonwealth government only $100,000, yet for that $100,000 the difference which the STRONG program
has made to the lives of many of my constituents is enormous. This program is now under threat. We need to ask ourselves what we can buy in today’s world, as a government, for $100,000. Can we buy peace of mind for older Australians or can we buy an improvement in their health outcomes? Not usually, yet this program at Balmain Hospital has done exactly that. I would like to read some of the information that my constituents have sent me about the STRONG program. Here are some of the things they have told me. One says:

I have never been free from pain since a serious fall in 1990 ... living with the constant pain had made me very depressed ... then I was referred to the STRONG Program at Balmain Hospital ... it was like a last resort for me ... now I can walk better and I feel stronger and happier for the first time in ten years ... now I have some hope for my future.

Another writes:

... the difference the Program has made to my fitness and quality of life is immeasurable ... knowing that I am not relegated to a rocking chair in the corner for the remainder of my life is a sensational achievement. The news that funding will end soon fills me with dismay. Here is a project that is achieving fantastic results and being axed ...

Another wrote to me and said:

I am one of your constituents aged nearly 76 ... miraculously the supervised training has almost freed me from pain ... how much more expensive is it going to be for the Govt to keep me and my many new friends in a nursing home? ... Can you please tell the powers that be of the callousness and the foolishness of their thinking.

Another one writes:

... we cannot afford membership of a public gymnasium, where no supervised and individual training to the aged is given, populated by people at least a quarter of a century younger & accompanied by loud thump-thump music ... please, Ms Plibersek, help us save STRONG

One other constituent wrote to me saying:

I have lived at my home for more than 30 years. This wonderful research program I am involved with has changed my life. It is based on the use of exercise therapy as a replacement or supplementary treatment for clinical depression over 60 years of age. Last year the program was extended to include people with problems such as arthritis, frailty, & other afflictions particular to the old. I am heartened to be in the company of others, to share their struggles and watch people come in hesitantly and go on to complete the program with a new found confidence in their improved health ... my sense of personal achievement comes to me in abundance each day as I delight in the notion of this 73 year old woman pumping iron! She who leaps up stairs, strides along Darling Street, whips 25 Lt sacks of fertiliser to the rear garden, scales up the step ladder, chases buses—has been given a second chance in life. The encouragement and support given by the Clinic Director and his associates is infectious. They are caring and wholehearted in the gift of giving their skills of healing and compassion ... Where am I and over 100 other old people to go if the Clinic is closed?

From these quotes from letters that have been written to me, people will see that this program has made an enormous difference to the lives of over 100 people who are participating in the program, and all of this for $100,000 a year from the Commonwealth government. The state government provided matching funds of $100,000 and, indeed, the state government has committed to continue to provide that funding.

The proper name of the program that I have been referring to as STRONG is Strength, Training, Rehabilitation and Outreach Needs in Geriatric medicine. The establishment of STRONG was designed to be a resource, training and educational centre for other places to emulate. With this aim, the clinic staff and participants established links with the Uniting Church’s aged care facilities locally and have set up a strength training gymnasium in one of their nursing homes. If federal funding is discontinued then this wonderful positive service to the community is lost. Regional aged care teams have visited the clinic and are keen to set up
satellite centres with the original acting as a training base. Student rotations from Sydney University have commenced, with students performing a two-week attachment with high satisfaction ratings. Unfortunately, no further funding also means that no students will be trained in this groundbreaking research.

The funding comes mainly from the Department of Veterans’ Affairs through the Value Added Veteran’s Service Program. The funding originally was from July 1999 to June 2000, and so my comments today are a bit of a pre-emptive strike. What I would most like to see is the program continued. Unfortunately, the whispers from the department have alarmed the people working in the program to the extent that not only the people running the program but also the people participating in it have been phoning and writing to my office.

The grant by the Department of Veterans’ Affairs was matched by the Central Sydney Area Health Service, which is funding from the state government, and the $200,000 in combination was for equipment, use of facilities at Balmain Hospital, general accommodation expenses, running the program, and the employment of a specialist doctor, Dr Nalin Singh, and his support staff. As I said earlier, the New South Wales government people have committed to continue their share of the funding and they have agreed to continue providing free rental space and to meeting the equipment costs involved with the program.

The clinic continues to be evaluated on an ongoing basis, and a final report will be made available in July 2000. However, what concerns me is that a decision may be made before that time not to continue the funding after July and that the program will be lost on that basis. There is evidence already available that the program is a great success, beyond all the letters that I have been getting from the participants who have told me how enormously satisfied they are with the program and how beneficial it is. There is evidence from a six-monthly report that the program is making an enormous difference to the health of participants and their quality of life.

As I said, I have received many letters and on the basis of these letters I have contacted the program and asked if I may be allowed to visit. I have set a time to go and visit the program. I would be very pleased if the Minister for Veterans’ Affairs and the Minister for Aged Care would also visit the program. I know that the people who run the program would certainly be very pleased to have such a visit and the ability to demonstrate first hand the enormous difference it is making to people’s lives. It is a unique program. It is not replicated in any health service in the country. It is seen by other health professionals as not just an experimental program, not just a place to train other health professionals in the specialist needs of geriatric care, but as a centre for excellence where continuing innovative work is being done and will be done in the future.

The seeding grant that the program was established under may not be the way to continue the funding, if it was a seeding grant of $100,000. Instead of taking the money from the Value Added Veterans’ Service Program, perhaps the Department of Veterans’ Affairs may take the money from another area of their budget, or perhaps the Minister for Aged Care can find some money in the money that is obviously not being spent on proper nursing home care for Australians to continue this program.

The real cost-benefit analysis of this program cannot be evaluated properly without realising what the program prevents as well as what it does. And what the program prevents is older frail people going into hospitals and going into nursing homes much earlier than they need to. This program supports people staying in their own homes. It improves their health outcomes in all sorts of ways that mean that they do not need earlier medical care and they do not need the intensive medical interventions that come with frailty and poor health outcomes.
Finally, I hope that this program does not go the way of other spending on older Australians. I think that this government has had a very poor record on caring for older Australians. Certainly the horrendous stories of abuse in nursing homes over the past weeks illustrate that in a way that is very distressing to people in the community who perhaps have older relatives in nursing homes and, indeed, to anyone who has any empathy at all with the people who are living in these nursing homes. The government certainly has a very poor record on nursing homes and also in so many other areas that affect older Australians.

The GST will affect older Australians disproportionately. We are convinced on the Labor side that the compensation that is being offered to older Australians, particularly to pensioners, will go nowhere near really compensating them for the increased cost of the GST. Today we heard further details of this government’s refusal to deal with people who are permanent residents of caravan parks, many of whom are older Australians who have retired to live in caravan parks. This government has refused to acknowledge that they are the only Australians paying GST on their rent.

Once again, I urge the government to remember that their record on caring for older Australians is a poor one. Here we have the opportunity to spend only $100,000. That sounds like a lot of money to ordinary Australians, but this government know that $100,000 spent on improving the health outcomes of 100 older Australians initially, but many hundreds into the future, is money well spent, particularly when it keeps those people in their own homes, it keeps them out of nursing homes, it keeps them out of hospital, and it prevents the need for further medical attention.

Mr QUICK (Franklin) (5.05 p.m.)—I welcome the opportunity to speak on Appropriation Bill (No. 3) 1999-2000 and Appropriation Bill (No. 4) 1999-2000. Today is day one of the eighth year of my residency in this place. The longer I spend in the House, the more it puzzles me when it comes to trying to understand the process of this government as they endeavour to establish what they call their social coalition.

Daily, we hear from those on the other side—from ministers either at question time or in debates that occur in this House—just how fantastic life is out there in Australia. We hear of cuts in mortgage repayments of hundreds of dollars that are supposedly sitting in people’s wallets; unemployment rates continuing to fall; housing affordability as never being better—life is wonderful and, from 1 July onwards, it is going to get even better. The only trouble with all this rhetoric is that, in my mind, this is only happening in certain places in the capital cities—the five big cities on the mainland—and perhaps in some larger regional centres. It is certainly not happening right across my electorate and it is certainly not flowing through all tiers of Tasmanian society. I emphasise ‘all tiers’ because that is what must happen if Australia is not to travel down the road of what is now taking place in the United States, where we have so-called full employment and yet huge ghettoes where there is abject poverty and soaring crime rates.

I respect many members on the other side of the House for the work that they obviously do for their constituents and the obvious concern they show for them as they work to address the problems they face in their electorates. So many people in my electorate live from fortnight to fortnight. I have a composite electorate of vast tracts of broad-acre public housing, middle-class areas and what I would call regional and rural areas in the southern part of Tasmania. As I travel throughout my electorate, I cannot see these obvious benefits flowing. I guess Tasmania has always been behind the eight ball in many aspects. We have an unemployment rate which is several per cent higher than on the mainland of Australia. But as I travel throughout my electorate, as all members do, our eyes are wide open and we are taking in things that are
One of the things which I like to do in my electorate is visit the service stations in the lower socioeconomic areas. I am lucky; I have got a Shell card, or a Mobil card, or a BP card. I whiz in and fill up the Fairmont and it is fine. But what I do is check the leaded petrol bowsers and see exactly how much is being purchased. It is embarrassing: $10 appears on most of them. In some cases it is even less. I hate to think what is going to happen now that prices are escalating towards $1 a litre. I see out in Woden that it is now up to 95c or 98.9c a litre. I think of the people in my electorate who rely on their 15-year-old cars because they need them; they give them some sort of flexibility and choice. In many cases they need them because public transport is not all that it should be. For these people, how far is $10 going to go when petrol costs almost $1 a litre?

These families are the ones for whom the receipt of their car registration, their quarterly power bill and their Telstra account cause real consternation at the family table. They are the ones who are really struggling. These are the people who do not have hundreds of dollars a week to spend, because they live in public housing; or these are the people who are getting towards the end of their lives and are in receipt of pensions and benefits. They are really struggling. They are living from fortnight to fortnight. The thing that worries me is: how do we as a parliament set in place initiatives to ensure that people can take advantage of the fact that they live in this wonderful country? As I said, despite the rhetoric, the reality is that there are lots and lots of people who are missing out.

If you live in Sydney and your house is worth hundreds of thousands of dollars and unemployment is down to four per cent, that is fine. You are part of that process. But if you are living in the southernmost part of Australia, in my electorate of Franklin in Tasmania, you are doing it tough. The young people are leaving in droves because they are now realising that if they want to take advantage of their educational capabilities, the best place to go is to the mainland, because you might as well be part of the process where it is all happening. So it is a never ending, self-fulfilling prophecy: once you leave, you get your university degree, you then get into the job opportunities and job market and you earn money that you could never possibly earn in Tasmania; you are never going back. I have a daughter, Sarah, who is part of that example, and she has lots and lots of friends.

What sort of foundation are we laying for our society when you have these wonderful opportunities on the one hand and, on the other, you are leaving a whole bunch of people behind? As I said earlier, if you visit America, you find that there is no unemployment. I have a brother who is living there; he is happy and he has got his family there. He is living in New Jersey and life is wonderful. But if you travel to New York and visit the ghettos, or if you travel across to south-east Los Angeles or parts of Chicago, it is like a Third World country: it is dog eat dog, survival of the fittest. I would like to think that we as Australians would put in place a foundation whereby, despite what people say, there is a fair go for all people. We hear that repeated quite often in federal parliament.

I would like to give a couple of examples of people who are doing all the right things, entering all the programs but still are thwarted for a variety of reasons. I have a wonderful service in my electorate called the Jordan River Service, which is in Gagebrook, one of the lowest socioeconomic areas in Tasmania, and probably one of the lowest in Australia. This service is funded by the state health and community services. They get a minimal budget—I think they are funded for 20 hours a week. Two wonderfully dedicated women, Angela Woods and Wendy Gattenby, have been running it for about 10 years. They recently decided to challenge long-term generational unemployed women, and some women who had experienced the state
penal system. They said to them, ‘It’s okay to come along here and have your coffee and complain, but let’s get you out of this; let’s challenge you.’ A wonderful woman called Sally Wise said to them, ‘One opportunity for employment is through hospitality and catering. You women must have some skills in catering.’ So we organised to fund a 12-week course for these women—a motley crew of women but their hearts were in the right place. They did this 12-week course and they were so excited that they decided, ‘Let’s do something where we can get an actual certificate.’ But it costs $150 to do a TAFE course. As I said, these people, when they get their car registration, their quarterly power bill or their Telstra account, stick it in the top drawer and hope to hell that it goes away, because they do not have $300 or $400 to spare.

So on the one hand we have got these women who want to do this course. They have done a 12-week basic course and they have shown obvious talents. Sally Wise, whose son is a world-renowned chef, said, ‘These women have got great potential.’ On the other hand, the same minister—and I do not want to criticise her—decided, ‘Golly, there’s about 20 or 30 young recidivists, juvenile delinquents and young offenders, who’ve decided to burn down their centre, for whatever reason. I need to find millions of dollars to rebuild this.’ So on the one hand we have got 20 or 30 people getting a disproportionate amount of money spent on their incarceration and, on the other hand, we have got these people in the Jordan River Service struggling to give these women a challenge.

The benefits of globalisation are an ethereal thing; the people in my electorate do not see the obvious benefits. We do not have a bank in this area; it has disappeared. Telstra has closed depots—the services are absolutely hopeless. People are pestering my office trying to get answers as to why their services are disappearing. Our primary schools are underresourced, yet I hear Minister Kemp espouse his literacy zealotry. As a former teacher, I would love to place him in front of a class of eight-year-olds and give him the challenge of dealing with the problem of numeracy and literacy.

As I said at the outset, this is all about building foundations. We need some balance. We need to get away from the Ziggy Switkowskis and the obscenity of the money market players cheering when the interest rates go up by half a per cent and the mind-set that says, ‘Golly, we’ve got six minutes advantage over everybody else and we can make a killing.’ We have that obscenity on one hand and we have a group of people who want to get out of what I, in a loving way, call ‘the ghetto’. We have this ideal that on 1 July we will wander down this red, white and blue road through this wonderful door into the land of the GST and everything is going to be fine. But we need to come back to the reality of the $10 bowser—to the women who are struggling to make a life for themselves. We need to humanise and personalise what we do in this place and take it away from the abstraction of the legislation we deal with daily.

With those few words, I will conclude my appropriation speech to enable my colleague from Western Australia to at least have some time to make a speech before we close today.

Ms GERICK (Canning) (5.18 p.m.)—Like many areas, Canning has suffered under the policies implemented by the state and federal coalition governments. The rural areas have no faith in the promises made by Mr Howard about the sale of Telstra. It is impossible in a number of areas, such as Dwellingup, to get any mobile telephone coverage. Indeed, the residents are still waiting for the improvements required so that they can receive decent television coverage. We have also suffered from bank closures and lack of bank services. While it is claimed that ATM services are available, we all know that, if you use an ATM that does not belong to your bank, you will be hit with extra bank charges. In Kelmscott, the Challenge Bank has closed. At the moment, this means that there is no Challenge ATM either. Those who drive are somewhat inconvenienced, but for the seniors and others who rely on public transport this has had a real impact on their ability to get their banking done. There are many people who are not comfortable with technology. It is unreasonable to demand that seniors
adjust to a level of technology that they have never encountered before. We are excluding people from contact with others, ignoring the fact that, with an increase in bag snatchers in Perth, most of us would prefer the older members of our families not to be exposed to an increased risk by using an outside teller machine.

Another of the concerns in the southern suburbs is the need for additional resources to be allocated for mental health. The Peel district has one of the highest rates of attempted youth suicides in Western Australia. This is partly as a result of the very high unemployment rates for our young people. At this stage, the area does not have access to enough psychiatric emergency teams. This is yet another indication of how the federal and state coalition governments have their priorities totally wrong. They continue to be obsessed with privatisation and are trying to run our country as though it is a company. Most of us do not want our country to be run in this way. We want our community to be built where those who are unemployed or on a fixed income or a benefit are assisted, not pushed down.

The fact that Telstra was content to announce that 10,000 people would lose their jobs at the same time as announcing a $1.2 billion profit shows how a semi-privatised Telstra puts profit before people. We have all experienced a decline in service. We all know that, if Mr Howard gets his way and sells the rest of Telstra, it will only get worse. Why can’t the Howard government understand that in country areas every person is essential? Just one family leaving can mean a child leaving the school, which can lead to one less teacher being needed, and so the regional decline continues. To have a productive and healthy community, everyone should feel connected and needed. Continually, the policies of this government increase the feeling of isolation. If you try to ring Centrelink from Perth, you will probably find yourself talking to someone from Sydney or Melbourne who does not have any direct connection to your case or problem. People need to be able to connect to other people, not to telephone systems.

Members will be aware that there was a rally in the forecourt of Parliament House earlier today to highlight discrimination by the government charging a GST on site fees for permanent caravan park residents throughout Australia. The Minister for Trade, Mark Vaile, leafleted caravan park residents at the time of the last election, giving a commitment that they would not have to pay a GST on their site fees. Obviously he did not get it right because those residents will get stung—another non-core promise. Many people are living in caravan parks because they are on such low incomes. Once again those who can least afford it—the poorest and most vulnerable members of our community—are going to get directly hit by the GST. There are over 160,000 permanent residents of caravan parks all around Australia. It is only those residents and those in accommodation such as boarding houses who will be required to pay the GST up-front on their rent. These renters are getting a clear message that the government does not care about their situation. People who pay rent on houses or flats in the suburbs will not have to pay a GST on their rent. Short-term stayers, such as holidaymakers, will pay no GST. This is a discriminatory tax on where people are living and it discriminates most on those in our community who can least afford it.

My office has been advised that the residents of one Perth caravan park—a home site with 150 residents—are all very concerned about their future. All are permanent residents. Many have lived there for a number of years and have devoted their savings to living comfortably during their retirement years in their home. Many also paid up to $100,000 to establish themselves in the park homes and are now faced with the reality that they may have to sell their homes and be forced into government housing where the waiting list is anywhere up to eight years. Obviously, these people need a voice. The Park Homeowners Association was formed in 1998 in the eastern states as a result of discontent among park homeowners who rent sites on a permanent basis. This association has just formed in Perth and held its first meeting a
few weeks ago. It is now fighting for the future of permanent caravan park residents because of the imposition of the GST.

This is such an unfair tax burden that there is even pressure within government ranks to water down the impact of the GST on caravan park residents. It was reported in the *Age* newspaper that one backbencher referred to the GST as a stuff-up, and a government minister said that caravan park residents had a legitimate grievance. It is not much consolation if you are the one paying the GST on your rent each week. The Deputy Prime Minister, John Anderson, reported that the government would undertake a review to consider the effects of the GST on permanent caravan park residents. Only hours after this statement, he was forced to withdraw his comments after the Prime Minister categorically stated that there would be no concessions on the GST.

It has been reported that this stand by cabinet was taken because it was felt that the opposition would claim it as a victory and that it would encourage those groups campaigning for exemption of other goods such as tampons. I would hope that even the Prime Minister would acknowledge the unfairness and discriminatory nature of the GST on services and products such as these. My office alone has received over 3,000 signatures from Western Australian caravan park residents petitioning this government to reconsider the effects the GST will have on them. This is surely representative of the views of the once again unheard Aussie battler, the people John Howard said he would stand up for. When is this government going to listen to the concerns of average Australians? When is it going to support the needy, not the greedy? I can tell you that people in Canning want a community where the elderly, the sick and those on ordinary wages get a fair go. They do not appreciate the way this government is neglecting them.

Motion (by Mrs Elson) agreed to:

That further proceedings on the bill be conducted in the House.

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

**Second Reading**

Consideration resumed from 13 March on motion by Mr Fahey:

That the bill be now read a second time.

Motion (by Mrs Elson) agreed to.

That further proceedings on the bill be conducted in the House.

Main Committee adjourned at 5.27 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Medicare: Provider Numbers**
(Question No. 1053)

Mr Martin Ferguson asked the Minister for Health and Aged Care, upon notice, on 23 November 1999:

1. Has the Government considered the allocation of geographic Medicare provider numbers to counter the maldistribution of doctors between non-metropolitan and metropolitan Australia.

2. Has the Government sought legal advice on whether the allocation of Medicare provider numbers on a geographic basis may be in conflict with the Constitution; if so, has the advice been received and what is the nature of the advice.

Dr Wooldridge—The answer to the honourable member’s question is as follows:

1. Yes, but abandoned the idea after examining the Canadian experience with geographic provider numbers.

2. Yes, advice indicated that:
   
   (a) it is likely a proposal would not infringe the civil conscription prohibition in the Constitution;
   
   (b) a proposal for geographic control of provider numbers would likely be challenged in the High Court; and
   
   (c) as there is no constitutional inhibition on the States limiting their power to restrict the locations in which a doctor is registered to practice, this is a far more sensible way to proceed.

**Goods and Services Tax: Livestock**
(Question No. 1061)

Mr Andren asked the Treasurer, upon notice, on 25 November 1999:

1. At what point in the production chain from paddock to plate will livestock cease being a taxable supply and become GST-free.

2. What livestock components will (a) become GST-free and (b) attract the GST.

3. Will livestock consigned to abattoirs on an over the hook basis be subject to the GST.

4. Is it a fact that it is common practice for abattoirs to charge an all inclusive fee for the slaughter, preparation and processing of livestock, and that part of that fee will relate to the production of GST-free and GST liable goods; if so, will the costs have to be apportioned; if so, how.

Mr Costello—The answer to the honourable member’s question is as follows:

1. The supply of live animals by a registered business will attract the GST. The supply of food, such as a dressed carcass, sides or quarters of meat for human consumption, will be GST-free.

2. The supply of meat products for human consumption will be GST-free. The supply of livestock components, such as animal hides and waste products, which are clearly not food will attract the GST.

3. The sale and supply of live animals to an abattoir will attract the GST, regardless of how the abattoir may calculate the final price of the livestock.

4. A GST-registered abattoir will charge GST on a fee for slaughter. The abattoir will be entitled to a full refund of any GST paid on inputs to either GST-free or taxable supplies. There is no need to apportion.

**Visas: Overseas Performers**
(Question No. 1117)

Mr Kerr asked the Minister for Arts and the Centenary of Federation, upon notice, on 9 December 1999:

What steps will the Government take to ensure that the new electronic 3 month business visas for overseas performers will not allow producers to sidestep local labour market tests.
Mr McGauran—The answer to the honourable member’s question is as follows:
The current process for issuing certificates to those sponsors who apply under the Foreign Actors Entry Scheme for permission to import foreign screen performers will remain in place. I am aware of the concerns of actors, entertainers and their representatives about the issue. The Government will be giving the matter further consideration.