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THURSDAY, 6 APRIL

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

APPROPRIATION (DR CARMEN LAWRENCE’S LEGAL COSTS) BILL
1999-2000

First Reading

Message from the Governor-General recommending appropriation announced.

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

Second Reading

Mr FAHEY (Macarthur—Minister for Finance and Administration) (9.31 a.m.)—I move:

That the bill be now read a second time.

The Appropriation (Dr Carmen Lawrence’s Legal Costs) Bill 1999-2000 makes provision for a special appropriation to meet the Commonwealth’s liability, under a judgment of the Federal Court of Australia. The Commonwealth’s liability relates to the legal costs of Dr Carmen Lawrence MP in connection with the Marks Royal Commission in Western Australia, and her related court challenges to the commission.

The Federal Court held that the Commonwealth is legally liable to pay damages for breach of contract which arose following the Commonwealth’s initial refusal to pay the legal costs incurred by Dr Carmen Lawrence MP in relation to the Marks royal commission and her related court challenges to that commission.

On 25 February 2000 the Federal Court ordered that the Commonwealth pay damages and interest to the date of judgment and the legal costs.

In the bill, the parliament is asked to appropriate moneys from the Consolidated Revenue Fund to meet these liabilities. The amount to be appropriated is not specified in the bill due to the nature of the judgment.

Similarly, the amount of post-judgment interest cannot be quantified until the judgment debt is paid. The purpose for which money can be appropriated under the bill is, however, limited to amounts resulting directly from that judgment.

Accordingly, the appropriation is not discretionary. Money appropriated under this bill is additional to the appropriations made in other appropriation acts in 1999-2000.

The appropriation is necessary and required as a matter of urgency to allow the Attorney-General’s Department to finalise the matter in accordance with the judgment of the Federal Court and to limit the Commonwealth’s further liability for accruing interest.

The appropriation is sought by way of a specific appropriation bill, with introduction and passage in this session.

Let me state for the record that the need for this bill is the result of a typical ALP style deal done under the former Keating Labor government to help one of its mates.

The judgment of the Federal Court makes it clear that the Commonwealth was contractually bound by a political compact organised by the offices of Dr Carmen Lawrence and then Prime Minister Keating and supported by a decision of cabinet on 8 June 1995 to pay what were, essentially, the personal legal costs of Dr Lawrence, in a matter totally unrelated to her responsibilities at the time as a federal minister.

This unfortunate arrangement has necessitated the introduction of this bill, which burdens Australian taxpayers to the tune of at least three-quarters of a million dollars.

With that in mind I note that senior figures in the Australian Labor Party established a trust fund, called the ‘Carmen Lawrence Defence Fund’. This fund sought and received public donations to pay Dr Lawrence’s legal costs. It is understood the fund may be holding as much as $100,000.

I also note that the Commonwealth Attorney-General has rightly asked that the fund contribute towards Dr Lawrence’s legal expenses. Such a contribution would only seem just and proper.

If such a contribution had been made this appropriation would be a smaller amount and taxpayers’ money would have been saved. If the fund were now to make a contribution it
would partly offset the appropriation that the parliament is now asked to make.

There is no doubt that it would be in the best interests of taxpayers that the fund be exhausted before the taxpayers are called upon to pay anything.

The Attorney-General has also asked the Australian Labor Party to contribute towards the cost of these expenses. Once again a contribution from that party would also appear to be more than appropriate. Such a contribution would further offset the appropriation provided for in this bill.

It is my duty to commend the bill to the House and present the explanatory memorandum to the bill.

Debate (on motion by Mr Laurie Ferguson) adjourned.

INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (No. 1) 2000

First Reading

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

Second Reading

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (9.36 a.m.)—I move:

That the bill be now read a second time.

The International Tax Agreements Amendment Bill (No. 1) 2000 will provide legislative authority for the domestic entry into force of a new comprehensive double taxation agreement with Romania and an amending protocol to our existing agreement with Finland. The bill will insert the text of the agreement and the protocol into the International Tax Agreements Act 1953 as schedules to that act.

The agreement between Australia and Romania was signed on 2 February 2000, and the Finnish protocol was signed on 5 November 1997.

Details of the agreement and the protocol were announced and copies made publicly available following the respective dates of signature.

The new Romanian agreement generally accords with the other comprehensive taxation agreements concluded by Australia in recent years.

The Finnish protocol amends the existing Finnish agreement to exempt from dividend withholding tax dividends paid out of fully taxed company profits. It also updates the agreement in other minor respects.

The government believes the conclusion of the new agreement and protocol will strengthen trade, investment and wider relationships between Australia and each of these countries.

The Romanian agreement will enter into force when diplomatic notes are exchanged advising that all of the necessary domestic processes to give it the force of law in each country have been completed. The Finnish protocol will enter into force 30 days after the later of similar notifications. The enactment of this bill, and the satisfaction of the other procedures relating to proposed treaty actions, will complete the processes followed in Australia for those purposes.

Full details of the amendments are contained in the explanatory memorandum.

I commend the bill and present the explanatory memorandum.

Debate (on motion by Mr Laurie Ferguson) adjourned.

PETROLEUM EXCISE AMENDMENT (MEASURES TO ADDRESS EVASION) BILL 2000

First Reading

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

Second Reading

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (9.39 a.m.)—I move:

That the bill be now read a second time.

The amendments proposed in the Petroleum Excise Amendment (Measures to Address Evasion) Bill 2000 improve the government’s ability to address excise evasion occurring through fuel substitution.

This bill facilitates prosecutions for fuel substitution offences by removing some technical difficulties with the legislation and
allowing use of evidentiary certificates in prosecutions.

This bill also ensures that a broader range of imported products that can be used in fuel substitution activities, such as imported chemical grade toluene, are covered by this legislation. The record keeping provisions of the fuel substitution legislation are also extended to cover these products.

Special provisions in the Excise Act 1901 allow changes to the excise tariff to be made by gazetting a proposal or tabling a proposal in parliament.

Over time specific tariff items have been included in a variety of legislation. These references restrict the government’s ability to quickly amend the tariff by gazettal or proposal.

As some forms of excise evasion through fuel substitution occur when parties systematically exploit weaknesses in the excise tariff structure, any restriction in the government’s ability to quickly amend the tariff is a restriction on the government’s ability to quickly address fuel substitution.

This bill removes those specific tariff items and replaces them with generic descriptions.

These changes do not affect the way excise is levied or impose an additional excise liability—they simply give back to the government the power to quickly amend the tariff to protect the revenue.

Full details of the measures in this bill are contained in the explanatory memorandum.

I commend the bill and present the explanatory memorandum.

Debate (on motion by Mr Laurie Ferguson) adjourned.

The Excise Amendment (Alcoholic Beverages) Bill 2000 is part of a package of amendments to put in place a new taxation regime for alcoholic beverages, primarily to bring to excise alcoholic beverages not currently subject to excise duties, and adjust the rates of excise in light of the removal of the wholesale sales tax.

The bill gives effect to the administrative arrangements for the collection of excise for alcoholic beverages not currently subject to excise. These new arrangements are in anticipation of changes to the excise items and rates in the excise tariff, which will be tabled in parliament at a later time.

Full details of the measures in this bill are contained in the explanatory memorandum.

I commend the bill and present the explanatory memorandum.

Debate (on motion by Mr McGauran) adjourned.

CUSTOMS AMENDMENT (ALCOHOLIC BEVERAGES) BILL 2000

First Reading

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

Second Reading

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (9.44 a.m.)—I move:

That the bill be now read a second time.

The Customs Amendment (Alcoholic Beverages) Bill 2000 amends the Customs Act 1901 to reflect some of the government’s tax reform measures insofar as they relate to excisable alcoholic beverages, as announced in the Tax reform: not a new tax, a new tax system document released in August 1998.

The bill makes minor changes to the Customs Act 1901 to ensure that imported products are subject to the same arrangements as similar locally manufactured excisable products. It mirrors the changes in the Excise Amendment (Alcoholic Beverages) Bill 2000.

Full details of the measures in this bill are contained in the explanatory memorandum.

I commend the bill and present the explanatory memorandum.
Debate (on motion by Mr Laurie Ferguson) adjourned.

POSTAL SERVICES LEGISLATION AMENDMENT BILL 2000

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

Second Reading
Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (9.46 a.m.)—I move:

That the bill be now read a second time.

The Postal Services Legislation Amendment Bill 2000 implements a number of decisions made by the government in response to the review of the Australian Postal Corporation Act. This review was conducted by the National Competition Council and was completed in 1998. The review was undertaken in accordance with the Commonwealth’s commitments under the Competition Principles Agreement. This agreement between the Commonwealth, states and territories requires the review of all legislation that restricts competition by the year 2000.

The bill is about measured and carefully designed reform aimed at providing optimal consumer and social benefits and at encouraging the growth and improvement of Australia Post’s services.

The main purpose of the bill is to promote opportunities for competition in the postal services market and, thereby, improve the quality and price of services provided to consumers. Specifically, the bill proposes to reduce the scope of services reserved to Australia Post and to provide a postal services access regime under the Trade Practices Act.

The government rejected the recommendation of the National Competition Council that all business mail should be deregulated and opted instead for a more gradual reduction of Australia Post’s monopoly. This will ensure that Australia Post continues to be able to fund the provision of its community service obligations from its reserved service revenue.

The bill proposes to reduce Australia Post’s monopoly by reducing the level of services reserved to Australia Post. Currently, Australia Post has the exclusive right to carry letters in Australia subject to a number of exceptions.

These exceptions include the carriage of letters weighing over 250 grams and the carriage of letters for a rate of at least four times the standard postal rate. The bill allows for increased competition by reducing the weight threshold to competition from 250 grams to 50 grams and the price threshold from four times the standard rate, or $1.80, to one times the standard rate, or 45c. This means that competitors will be able to carry letters that weigh more than 50 grams and will be able to carry letters for a charge of at least 45c.

In 1994, Australia Post’s monopoly on the carriage of outgoing international mail was removed. The bill proposes to remove Australia Post’s monopoly on the carriage of incoming international mail. This will mean that the carriage of all international mail will be liberalised.

Safeguards have been included in the bill to address concerns that competitors may try to avoid Australia Post’s monopoly on the carriage of domestic mail below 50 grams by moving mail offshore so that it is classified as incoming international mail. The safeguards provide Australia Post with the opportunity to take action against a person who breaches the reserved services in this way. The government will take further action, if it proves necessary, to ensure the reserved service is not undermined in this way.

The government is committed to ensuring that Australia Post continues to provide a letter service that is reasonably accessible to all Australians and which is available at a single rate of postage for standard letter items. The community service obligations set out in the bill require Australia Post to continue to provide the same level of service set out in the current act. In addition, in 1998, the government introduced regulations to prescribe minimum standards which Australia Post must achieve in relation to accessibility and reliability of the postal delivery service and which require Australia Post to provide a minimum number of postal outlets and street posting boxes. Performance against these criteria are audited each year by the Auditor-General.
The objective of the proposed access regime of the bill is to promote the long-term interests of users of postal services and to ensure that these services are supplied as efficiently and economically as possible. It is not the intention of that the access regime should operate in any way to put at risk Australia Post’s community service obligations or the viability of Australia Post’s infrastructure.

The access regime is structurally similar to the infrastructure access regime in part IIIA of the Trade Practices Act. It also contains elements from the telecommunications record keeping rules in part XIB of the act and the telecommunications access regime in part XIC.

Like part XIC of the Trade Practices Act, the postal access regime is designed to assist competitors to gain access to services supplied by a strong market incumbent. It is also designed to encourage commercial negotiation between access providers and seekers but allows for intervention by the Australian Competition and Consumer Commission, if necessary.

Access providers are encouraged by the provisions in the bill to make undertakings about the types of services they may make available for access and the terms and conditions of access they will provide. However, the bill also provides the ACCC with the power to declare access to a postal service and to arbitrate the terms and conditions of access to a declared service, if agreement cannot be reached between the parties concerned.

The bill proposes that the minister will be required to declare a number of services at the commencement of the regime. These are Australia Post’s bulk mail services and post office boxes. There is currently provision for access to Australia Post’s bulk mail services through the bulk interconnection regime set out in the current legislation. The National Competition Council recommended access to post office boxes because physical access by competitors is unavailable.

The bill puts in place arrangements to assure competitors that Australia Post is not cross-subsidising from the monopoly served services to the services it provides in competition with other postal operators. Under these arrangements, the ACCC will be able to make record keeping rules to require providers of postal services to maintain records in a specified form.

The bill also proposes to convert Australia Post, a statutory corporation established under the Australian Postal Corporation Act 1989, to a public company under the Corporations Law. The conversion of Australia Post is consistent with government policy that all government business enterprises should be companies registered under, and therefore subject to, Corporations Law. This decision reflects the policy that Commonwealth owned entities competing against other companies should be subject to the same law.

There are a number of consequential amendments proposed to other acts. The majority of these amendments occur because it is proposed to change the name of the act to the Australian Postal Corporation Limited Act 1989. The new name reflects the new status of Australia Post as a Corporations Law company. I present the explanatory memorandum and commend the bill the House.

Debate (on motion by Mr Stephen Smith) adjourned.

MATTERS REFERRED TO MAIN COMMITTEE

Motion (by Mr Ronaldson)—by leave—agreed to:
That the following order of the day, committee and delegation reports, be referred to the Main Committee for debate:
Primary Industries and Regional Services—Standing Committee—Report on Shaping Regional Australia’s Future—motion to take note of paper.

SOCIAL SECURITY AND VETERANS’ ENTITLEMENTS LEGISLATION AMENDMENT (MISCELLANEOUS MATTERS) BILL 2000

Second Reading

Debate resumed from 16 March, on motion by Mr Anthony:
That the bill be now read a second time.
Mr SWAN (Lilley) (9.55 a.m.)—I rise to address the Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000. The events of this week have captured perfectly the true nature of the current government. This government has long cared too much for those who are doing fine and never enough for those who are struggling to make ends meet. Why else would we have had four years in which the Howard government has run a knife through vital social services, creating in the process a dreadful social deficit? Why else would the Prime Minister and his government have embarked on such a great tax misadventure that has only succeeded in radically redistributing our wealth up the income scales to those least in need? We have seen over the last couple of days some fine examples of both.

On Tuesday night we had stage 1 of the Prime Minister’s zero tolerance family policy. The message to families doing it tough: estimate ahead and get it wrong and Centrelink will give you an instant debt. This will indeed be a problem for tens of thousands of families. Having stripped just about everything out of the social system in the last four years the Howard government has had to start getting more creative, so we see some new tricks aimed at tripping up families and putting them further behind—if indeed that were possible under this government. Just today we had stage 2 of zero tolerance for families, that is, the GST take. Many parents giving up work for a period of time to have a child will find that, even before they begin to face the cost of the GST on just about everything they buy, they could be substantially worse off each fortnight. This is again achieved with a little creative accounting at the expense of ordinary families. With this in mind, it is not surprising to see a government that has spent four years proving it possesses not one jot of compassion turn to wedge politics.

The government’s pedigree here is absolutely unrivalled. We have seen indigenous people, the long-term unemployed, people with disabilities and single parents all singled out for special treatment, and this week, as I said at the start, we have had it all again; in short, a government that is feigning innocence while it knowingly pursues a deeply divisive and heartless agenda. There are some measures in this bill that are consistent with this government’s approach.

I would briefly like to address the portability issue. This central issue in the bill is a proposal to standardise portability provisions in the social security and veterans’ affairs legislation. Of course, simplifying the social security system is not such bad thing, but achieving simplicity must be balanced against the creation of a one size fits all system that ends up meeting no-one’s needs. And that is, I think, what the government may well be up to here, although it is very difficult at times to prise away from all the detail precisely what the government’s real objectives are.

Portability provisions allow recipients of social security payments to retain eligibility when they go overseas. At the moment, different portability rules apply for different payments, depending on your circumstances. Under these provisions, portability will be 26 weeks, that is, you will retain eligibility for your payment for six months. This is an improvement in the case of some payments. For example, portability arrangements currently provide for only 13 weeks worth of payments for people travelling overseas who receive carer allowance, Newstart, youth allowance and Austudy. However, those who receive the disability support pension and the age pension will lose portability as their eligibility will come down from 52 weeks to the proposed standard of 26 weeks. In fact, for disability support pensioners and age pensioners with severe disabilities there are currently unlimited portability provisions with the proviso that, after a year, pensions are paid at a reduced rate. For this group, unlimited portability will effectively be reduced to 26 weeks. So, while the government spruiks simplicity, it is really reducing the system’s ability to meet the needs of some people with very specialised needs. For example, a disability support pensioner who needs to spend in excess of six months overseas obtaining treatment for a disease like leukaemia will lose their benefit.

The other change the government is seeking to make to current portability arrange-
ments which will have a detrimental effect on many pensioners is to impose a requirement that people wait two years instead of one before they return overseas. While this may seem reasonable, it clearly may not be if you are on an age pension and seeking to return overseas to visit a dying relative. I recently encountered an elderly couple on an age pension who were caring full time for their grandchild. Both the young boy’s parents had died in a car accident and the frail grandparents have taken up the care of the boy as a result. The grandparents wanted to move to New Zealand so that one of their remaining children could help with his care. Under the current rules their portability would be maintained for 12 months, and this is important, given their concern about harsh New Zealand social security rules that incorporate stringent eligibility tests and subsistence level benefits. Under the proposals in this bill, this couple would be without a means of support after six months. The bottom line is that, under the cover of standardising provisions, the government is taking the opportunity to put some people in a worse position. There is evidence that this is a savings measure, because it indicates there will be more losers than winners, which has been symptomatic of the government’s approach.

I would also like to look at the aged person and self-funded retiree saving bonuses. I would like to point out another area where the government is slugging older Australians and some who have disabilities. The aged person’s savings bonus and the bonus for self-funded retirees are just another example of the inadequate GST compensation that the government is trying to peddle. The government knows the GST will permanently reduce the purchasing power of any savings held by pensioners and self-funded retirees, so they came up with the one-off payment to be made on 1 July 2000. There are essentially two types of one-off payments available. The first is the aged person’s savings bonus of up to $1,000 for each person, either pensioner or retiree aged 60 years or more on 1 July 2000. The second payment is a self-funded retiree supplementary bonus of up to $2,000 for each person aged 55 or more on 1 July 2000 who does not receive a Commonwealth pension or allowance. Both one-off payments are payable only to people who receive a private income from savings and investments. But the catch is this: while the government boldly goes about telling people they are going to get $1,000 or $3,000, what it is not saying is that most people will only get a very small portion of this.

This is where this government’s advertising has been quite counterproductive, if not deceptive. If you went out into the community and asked any pensioner what they thought they were going to get, they would tell you they were all going to get $1,000—and, of course, that is not the case. The one-off payment for both bonuses will be $1 for each dollar of income from savings and investments in the year 1999-2000. For example, if you received income from interest and dividends of $200, you would only get a one-off payment of $20 on 1 July 2000. To be eligible for the full so-called bonus, substantial investments are required. In fact, you would need to have around $20,000 invested at a five per cent interest rate. The government has already admitted that only one in 10 over the age of 60 will get an age person’s savings bonus greater than $500. It is going to come as a very rude shock to many elderly Australians.

The second issue with the so-called bonuses is who misses out altogether. Both one-off payments are not payable to those who have a private income in excess of $30,000. In fact, the amount payable is reduced as soon as you earn more than $20,000 per annum. Self-funded retirees aged between 55 and 60 years who have earned more than $1,000 from working in the 1999-2000 financial year will not be eligible for the self-funded retiree supplementary bonus. This would most likely include all those who have retired since July 1999. People aged between 55 and 60 who receive a disability support pension or a carers allowance and have income from savings will not be eligible. And people who intend to retire after 30 June this year will miss out on the bonus, even though their income from savings will be affected by the GST.

The final problem with the bonuses is whether they really compensate for the devaluation of people’s savings. In short, no,
they do not. Even if somebody receives the full bonus, it will be unlikely to compensate for the loss of spending power of their savings, particularly when you look at the fact that all the government’s calculations in this area are based on an inflation rate of 1.9 per cent. The government has already admitted that that will certainly be in the first quarter at least five per cent. Even if somebody receives the full bonus, I believe it will not necessarily compensate them for the extra impost of the GST. Certainly, if the inflation rate hits the expected 5.25 per cent a pensioner with savings of $25,000 will effectively have the spending power of those savings devalued by as much—or $1,300—in the year that the GST is introduced. If this part-pensioner is entitled to a maximum age person’s savings bonus of $1,000, they will be left at least $300 out of pocket because of the bite of inflation in the first year of the GST. For those with even more substantial savings, the shortfall is even greater.

I wish to move on and talk a little about the data matching provisions in the bill. These are measures to improve the data matching undertaken by the government. I will make a few brief comments here, because it was the previous Labor government that began the process of data matching, which is absolutely essential in detecting fraud and taking any rorting out of the system. Labor achieved much, and this is a further refinement of those measures. Over time it has brought much needed integrity to the system and it will continue to play an important role in ensuring that people get what they are entitled to and no more. That is, of course, only fair. Of course, we constantly hear accusations, on the other hand, from the government that there are all these people out there who are rorting benefits. Of course, when we come to look at the debts raised, most of the debts are ones caused by the government in terms of many of the rules that it has set, where people have honestly made mistakes in estimating their income, particularly with family payments. In other areas, the data matching program brings integrity to the system. It is certainly there, but the government pretends it is not.

In conclusion, this bill is part of a wider agenda that has characterised this government from day one, which has simply been to slash and burn social services in this country and to withdraw essential support from people who need it. That has been part of blowing up the bridges that were built so that people could move between welfare and work. By taking out essential education and training programs and putting in place punishing levels of effective marginal tax rates, which particularly work against the unemployed and single parents, this government has caught very many Australians in what you could call a welfare trap, a trap of its own making. Through the making of that trap, larger numbers of people are on certain benefits, particularly lone parents and disability support pensioners. Because that has caused an expenditure blow-out, the government has actually turned around and said, ‘Well, it’s not our fault. We blew up all the bridges. We dynamited all those bridges between welfare and work. It is not our fault that more people are on those benefits. It’s the fault of the people on the benefits.’ Well, it is not.

The problem here is that, because the government is unwilling to invest in people, we cannot get any substantial reform of the system. I noted that, when the interim report of the Welfare Review Committee came down, for the first time we saw the language that Labor has been calling for and the approach that Labor has been calling for, that we must invest in people, that we must rebuild the bridges between welfare and work. We must do something about the punishing rates of taxation that are imposed on welfare beneficiaries who are attempting to move from welfare to work. We must do something about investing in those essential programs so that people can move from welfare to work.

Senator Newman in response to this said she had always believed in investing in people, despite the fact that the government, in its period in office, has engaged in the biggest cuts to family and community services in the history of this nation—cuts totalling something like $5 billion. We thought, ‘This is a bit odd. Why has Senator Newman suddenly used this term “investing in people”? I have never heard her use that term before. It
is completely foreign to her lips. So we did a search of the Senate Hansard to see whether Senator Newman, the Minister for Family and Community Services, who has been the minister for something like 1,500 days, in the Senate had ever used the term ‘investing in people’.

Guess what! Surprise, surprise! Never once in the national parliament has the Minister for Family and Community Services ever used the words ‘investing in people’. Why is that? Because what she has been on about is what the government has been on about, which is crude cost cutting across the board, slashing and burning our social fabric, so much so that we are at the point where we have accumulated an enormous social deficit in this country in recent years. The number of children living in households where neither parent works is 100,000 more than it was when the Howard government came to power, and that is despite a period of very high economic growth. All that says is that the benefits of growth are not being fairly shared, that they are going to the top. We are having a flood of wealth upwards, and downwards we have an enormous growth in poverty. That is a direct consequence of the slash and burn mentality that we have seen in family and community services.

There are elements of this bill which continue that ethos of the Howard government. That is what the government is so desperate to hide, and that is why it has been engaged in such desperate wedge politics in recent times. Because its social agenda is so harsh, its slash and burn mentality has extended so far that there is now a stench attached to this government’s credentials, a stench which is so strong that the government believes that it can only cover that up, it can only get rid of it, it can only eradicate it by trying to erect a smokescreen, trying to get people who are frustrated and hurt and struggling under the system to focus on someone below them, rather than to take out their frustration on what is the cause of their problem above them—the Howard government. This bill continues in that tradition.

Debate (on motion by Mr Ronaldson) adjourned.
Tax System Price Exploitation Code, specifically in the case of misrepresentations by unincorporated entities operating within one state. A good example of this at the micro level would be a landlord who wants to exploit the situation in regard to rent and simply puts up the price by a straight 10 per cent. He would need to justify why it had to go up the full 10 per cent when he is having reductions in some of his costs. This is not just an empty promise. This legislation carries with it some considerable weight. A contravention of these laws by one of these bodies carries the same fine as other misdemeanours that come under the ACCC’s umbrella, up to $10 million for a company or up to $500,000 for individuals.

I know that during our deliberations in the retail inquiry some of the major organisations expressed their concern about the significance of the amount involved. So from my observation, large corporations, in particular, do not take these provisions lightly. These are maximum penalties, but they are set high for obvious reasons. They are an indication of just how seriously the government will view companies and individuals who use the implementation of the new tax system to exploit consumers and increase profits at their expense. There is a legitimate concern among Australians, and the government is well aware of this, that the changes in prices following 1 July will be seen as an excuse by some to increase profit margins. This legislation is all about preventing such practices from occurring.

It should be noted that this section of the bill allows for these amendments to be applied by the states and territories throughout their legislation. It is disappointing that Queensland have decided to exempt themselves from this. I think there are two major problems with that. Firstly, we do not have uniformity of application throughout Australia and, secondly, if a business in Queensland is putting up its prices unfairly and it misleadingly attributes that to the GST the ACCC will be powerless to follow this up. I would like to know from the Queensland government on what basis they think they are looking after the consumer. They are meant to be looking after the people of that state and this will only encourage those in that state to exploit the situation. My colleague the Minister for Financial Services and Regulation put it well when he said, ‘The Labor government in Queensland signed up to the GST and is happy to get all the revenue from the GST but will stand in the way of helping to police the new tax system. This is breathtaking hypocrisy.’ And so it is.

They put their hand out, on the one hand, and say, ‘Yes, we will take all the revenue. Thank you. Here is the great tax that we always wanted, dreamt about and hoped for’—and certainly it will provide a great infusion of finance for all the infrastructure they so need, and it is right that they would seek that money—but, on the other hand, they do not want to police the new system and its implementation. The local press in Queensland agrees with the federal government on this point, with the Courier-Mail calling the state fair trading minister, Ms Judy Spence, ‘the second Queensland minister in days to embarrass federal Labor over this issue’.

Another major element of the changes proposed in this bill is clarification of the access undertaking provisions of the Trade Practices Act 1974. In other words the act needs to spell out which government utilities it can supervise and monitor. Access undertakings define the access conditions that apply to nationally important services such as electricity, water or telecommunications. Up to this point there has been concern about whether the ACCC’s powers extend in these areas. The bill therefore spells this out. It states that the ACCC cannot accept an access undertaking unless it falls totally within the Commonwealth’s jurisdiction. It also clearly states that the ACCC has constitutional and legal power over these undertakings. In regard to the financial implications of these provisions we will look forward to the announcement by the Treasury in the 2000-01 budget.

The bill highlights the significance of the ACCC in our economy. It is an independent statutory authority and under part VB of the Trade Practices Act price exploitation in connection with the new tax system is expressly forbidden. To this end the ACCC has issued strict guidelines on the transition arrangements. These require, among other
things, firstly, that businesses must reduce prices to pass on the full effect of any reduction in costs as a result of net tax reductions; secondly, that any increase in price as a result of the GST also include a full offset for any direct reductions that may exist; thirdly, that no mark-up be applied to the GST component of the price; and, fourthly, that prices reflect only actual and not anticipated tax increases. This can be summarised quite simply: if the new tax system changes cause costs to fall by a dollar, the final price should fall by at least that amount and if costs rise by a dollar, prices should rise by no more than this amount. This is known as the net dollar margin rule.

On top of this the updated guidelines now expressly state that a price rise of more than 10 per cent as a direct result of the new tax system changes is not allowed. Of particular interest here will be Professor Fels’s comments about the New South Wales government. They have been attributing price rise increases, which are in excess of 10 per cent, to the GST. That can hardly be justified, by any stretch of the imagination. We look forward to the comments from Professor Fels on this activity. The ACCC also makes sure that it is a constant presence in the marketplace to ensure its continued relevance and is using six avenues to monitor potential price effects or exploitation. It will be using four major national surveys of the prices of goods and services most commonly used in households around the country. Every month it is checking the prices of 100 commonly purchased items in supermarkets all over Australia. It will also be scrutinising the prices of other products or services that are commonly purchased by Australians. These might include cars, petrol, computers, telephones or building supplies. It will use information supplied through public compliance commitments, which I will go into more detail on later, that will be registered by companies with the ACCC. Further it will be using various data made available to it by the Australian Bureau of Statistics, most particularly relating to the consumer price index. Finally, and most importantly, the ACCC will also rely on the vigilance of consumers and businesses. If there is a belief that price exploitation may be occurring, the ACCC should be notified on its hotline.

I earlier mentioned the public compliance commitments. These are one of the means at the ACCC’s disposal to monitor prices during the transition to the new tax system. A public compliance commitment is a statement signed by the chief executive officer of a large corporation to put it on notice that the company is committed to complying with price exploitation guidelines. Any company that lodges such a document with the ACCC is required to show that their approach to identifying where they are making savings under the new tax system is valid. They must also show that they will then pass these savings on to consumers. In effect these commitments help a large corporation to establish a framework for ensuring that cost savings are passed on to consumers. They also assure a company’s customers that that company is committed to complying with the law and is trading in a fair manner.

As the ACCC itself states in a document on the subject:

A Public Compliance Commitment provides the opportunity for companies to take a pro-active rather than a reactive stance in its dealings with the Commission.

These commitments are obviously an important part of the transition to the new tax system, and I applaud the actions of companies such as Qantas, who have registered with the ACCC their intent to protect their customers’ interests. There is no doubt as to the effectiveness of the ACCC’s actions. I see the member for Hotham in the chamber. We remember the stunt he pulled in the House when he pulled out a pair of flannelette children’s pyjamas. He got a news item, but how long did it last? We had to wait only 24 hours until we found it to be a myth—which is what the member for Hotham usually achieves.

He is the man for myths, the man for no policies and the man for no taxation concepts at all. He rolls on, criticising this dreadful tax that we must get rid of. It is so bad that, on 1 July, he will keep it there. If ever there were hypocrisy, we can see it in the member for Hotham. We have seen no alternative taxation system brought forward. We have from
the opposition no plans as to a new system as of 1 July. This is such a terrible system that in it goes on 1 July. Then they say that they would do roll-backs, and the roll-backs are a little unspecified. Of course, they are not quite sure how they would fund them, except that somebody is saying that there will be a tax on the rich. It will be interesting to see how this develops. We have found that there are a whole lot of questions about the credibility of the member for Hotham and what he stands for. As was said by one of my friends in Melbourne, they have a whole lot of bleeding hearts on the other side but absolutely no economic sense whatsoever.

They have no economic sense, no policies and no idea. All they can do is nitpick. This was shown in the stunt the member for Hotham pulled with the flannelette pyjamas. Of course, the member for Hotham actually illustrated the swiftness with which the ACCC responded. By the next day, the misleading dual tickets were being withdrawn by the retailer Big W and the ACCC had issued a statement, saying:

The concern was that consumers may be misled into thinking that all dual ticketed items will rise on 1 July ... In fact some may fall, or not rise by as much as 10 per cent, due to reductions in indirect taxes flowing through to the checkout, or as a result of promotions such as mid-winter/stocktake sales or both.

Mr Crean interjecting—

Mr BAIRD—I hear the member for Hotham saying, ‘Yeah, yeah.’ I am glad you approve, glad you agree that you were embarrassed by that. Seeing as you like it, the statement goes on:

The ACCC is not opposed in principle to the use of dual ticketing to assist business and consumers in the transition to the New Tax System on 1 July 2000. But it should not be used as a marketing tool if it has the potential to mislead consumers.

Here is evidence of a strong and decisive national body that puts the lie to the stunts of the member for Hotham—as usual—and tells us the reality. Having said this, it is also important to give credit to Big W. Not only did they move quickly and remove the price tags from display but the chief executive of Woolworths, Roger Corbett, announced soon after:

It is Woolworth’s policy to pass on to our customers all the benefits of indirect tax cuts and cost savings ... Customers will get clear benefits from the removal of wholesale sales tax.

The reality is that the action was taken, the stunt was pulled and the myth was exploded. It is clear that customers are going to benefit. Not only will they have the reductions from the removal of the wholesale sales tax; they will also have the most significant cuts to income tax that this country has ever seen.

We have also seen the example of Zurich Insurance being forced to refund nearly $50,000 to policyholders due to the incorrect calculation of the GST applying to the workers compensation policies of nearly 350 people. Several other insurance companies are currently being investigated. So what we have is clear: the government is being totally responsible and giving, in this legislation, the power to look at exploitation with the introduction of the GST. The GST, as we all know, will make major changes to the Australian economy and provide real incentives to small business. It will give major tax cuts to the average person throughout Australia, which will be greatly welcomed. It will also ensure that people are protected in that the prices that are charged truly reflect the reduction in the wholesale sales tax which manufacturers and retailers will receive. These reductions will be passed on to the consumer, so the net cost will take that into account. It is a significant piece of legislation. I commend it to the House.

Mr CREAN (Hotham) (10.28 a.m.)—Loyalty knows no bounds when it comes to the member for Cook, who is now leaving the chamber. After all, he was critical of the GST when he was in a former role because of what it did to the tourism industry. He says one thing outside this place and another when he has to toe the party line. So far as the pyjamas are concerned, I am glad they are still being talked of over there. The truth is that an example always tells a very graphic story. This was particularly graphic, because the pyjamas had hockey bears on them. I think they were produced after Joe Hockey. Remember Joe Hockey, who was doing so much to explain the principle of rounding up over the January period? Remember Joe Hockey,
who could not explain what had happened to the price of a can of coke? This is the minister charged with the responsibility of implementing this tax package. If the minister in charge cannot understand the tax, how can ordinary Australians?

I know the member for Cook has left the chamber, but let me just say that he was trying to use the example of the pyjamas to demonstrate how quickly the ACCC moved on it. The ACCC moved on it only because we raised it in the parliament. What did the ACCC do? They did not drop the price; they simply hid the tags. That is a great consumer protection, isn’t it—thinking they solved the problem by hiding it? All they did was require Woolworths to withdraw the tags. But they still have not said that the price is going to go down.

This was a company putting a full 10 per cent on the price of pyjamas, something the government said could not happen, something the ACCC said could not happen. And it happened with one of the largest retailers in the country. When these dual tags come back again in June, you will see that the 10 per cent is still there, I suspect, because the ACCC has not been able to refute the argument from Woolworths, as I understand it, that they have no other option than to pass the full 10 per cent on. Why? Because these pyjamas are imported, there is no wholesale sales tax upon them, nothing to deduct; the full 10 per cent is being passed on. What is the ACCC doing? It is saying, ‘We think, okay.’ Okay to something it told the Australian people could never happen? This is a dog’s breakfast of a tax. It is a tax the government cannot implement because it is so complicated, and it is a tax from which we will see examples emerge daily that demonstrate how much of a botch the government have made of this tax. This great new simple tax they have paraded around the country is a hopeless mess. It is a nightmare.

But what this bill is about is an attempt to come to grips with the concerns out there in the public that exploitation is already occurring in relation to pricing and will continue to occur. This government want the Australian public to believe that prices will go up only 1.9 per cent because of the GST and then only after 1 July. What nonsense. Everyone knows prices are going up now. Everyone knows that excuses are being used but everyone believes it is because people are trying to beat the GST. No-one believes with any credibility that the inflation impact of the GST will only be 1.9 per cent. It will be higher. Of course, when inflation goes up, interest rates go up. We have just seen the example yesterday of a further one-quarter of one per cent rise in interest rates. Why? Because the Reserve Bank says the biggest concern it has is inflationary pressures. What causes inflation? What is unique to this country that is not over there in the US? It is our GST, our GST which this government introduced and said would be minimal in terms of its inflation impact. What a deceit, what a betrayal and what a botch-up. But that embodies this government’s tax package.

On the face of it, this bill is an attempt to strengthen the powers of the ACCC in ensuring that exploitation does not happen. But the bill also represents an outrageous attempt to silence critics of the GST. As with almost every action by the government, it is a particularly heavy-handed and inept one. It seeks to amend the Trade Practices Act to insert into the GST price exploitation provisions a prohibition on misrepresentations as to the effect of the new tax system. It also seeks to clarify the operation of the third-party access undertaking provisions of the act. A new provision will be inserted to prohibit conduct in connection with the supply of goods or services that falsely represents or misleads or deceives a person about the effect of the new tax system changes.

This prohibition comes with very heavy penalties: $10 million for a body corporate and up to $500,000 for a person other than a body corporate. So it is $10 million for companies and half a million dollars for individuals. The Minister for Financial Services and Regulation, the minister after whom we think the pyjamas were named, is able to mislead the Australian public with impunity. He is able to get out there and tell people that the price of coke may fall when he cannot accurately say how it will. He is out there able to say that rounding up cannot take the price over 10 per cent, when in fact it has been
demonstrated that it can. His widely noted performances over the Christmas period involved a string of misleads; and yet he does not get penalised, but this act seeks to penalise people who may unwittingly mislead in relation to the GST. The minister told the Australian public that he had actually issued a press release stating that he would direct the ACCC not to allow prices to increase above 10 per cent. As was discovered subsequently, he did no such thing. Yet he told the Australian public that he had issued an instruction to the ACCC in relation to rounding up. It sounds misleading to me. If you say you will do something and you do not do it, that is a bit misleading. That is what this bill is supposed to cover. That is what this bill is supposed to fine in terms of individuals misleading—and this, of course, was a deliberate mislead, because he wanted to get himself off the hook, having got himself into such a mess over rounding up. He misleads; no penalty on him. But, if an individual misleads, it is half a million bucks. If a company misleads, it is 10 million bucks. There is not much that is fair about that. But, of course, this is not a fair tax. He can lie, he can say what he likes about the GST and he does not face a fine, but business will face a huge one. I made that point about coca-cola before—that he promised it would come down in price. Will he cough up $10 million in fines if he turns out to be wrong? We will wait and see what the ACCC does in relation to the minister who instructs them—or says he does.

This bill also proposes to permit the ACCC to seek injunctions and to accept voluntary undertakings to restrain conduct that is or may be in breach of the prohibition. The states are affected by the proposed insertion of a mirroring prohibition into their price exploitation codes. I note that the states have a discretion not to allow the new prohibition to operate within their mirroring codes. Queensland has not enacted the mirroring code in its state at all, largely on the basis that it believes that the ACCC is under-resourced for its price exploitation task—and we all know that it is. The ACCC has admitted it has just two GST staff covering the whole of Queensland—a couple of good watchdogs they are going to have to be! That is two for the whole of the state to monitor the impact of this dog’s breakfast of a tax.

Mr Martin—Reithy’s Rottweilers.

Mr CREAN—They could be those Rottweilers. The minister can rant and rave all he likes about Queensland, but it is his government that is refusing to adequately resource the ACCC in its task. It is all starting to look just like window-dressing, as though the government is attempting to hoodwink consumers into believing that the ACCC can control all price rises caused by the GST. As everybody knows, prices are already going up. Labor assumes that the insertion of the proposed prohibition is in response to well-founded fears that businesses and others, such as landlords, are or will be blaming price rises on the GST. That was an issue that we drew out in this parliament. The member for Wills raised the question with the minister, who did not seem to understand it at all.

The government, in taking this action, seem determined to act out their own bizarre version of *Fawlty Towers*, of Basil Fawlty scampering around the place saying, ‘Don’t mention the war!’ This is the government saying, ‘Don’t mention the GST! Don’t mention it. It’s a great new tax but don’t ever mention it!’ It is an unmentionable so far as the government are concerned. You will hear them talking about the tax package and about reform, but do you ever hear them mention the GST? I would be interested to hear when members on the other side get up in this debate and defend the GST—an indefensible tax. They do not want business, either, talking about the GST. Having determined that they cannot mention the war, they want to use this legislation to stop anyone else talking about the war; otherwise they will impose a penalty. They do not want businesses bringing it to people’s attention that they are now paying a new 10 per cent tax on just about everything. But business will of course be talking about the GST and talking very loudly—as they should, because they cannot get answers. They will be talking about how unfair it is, how inefficient it is and how compliance will take up time and resources better spent on building and expanding their businesses and the economy.
How can something that has been so significantly agreed in principle be so hopelessly botched in its implementation? That is a very special task that this government has performed. It was actually able to sell to businesses in this country the concept of the GST, even to 48½ per cent of the Australian public. But people are now tearing their hair out because the government, having sold the concept, cannot even implement it. If it cannot implement it, how does it expect ordinary Australians to deal with it?

Under this government’s extraordinarily complex and perverse GST system, consumers are going to need all the protection they can get. I do not know, Mr Deputy Speaker, whether you had the opportunity on 30 March to see the difficulty of a baker, Mr Trevor Morgan, in explaining what the GST applied to in his baker’s shop. I have a transcript of the little episode. Tracy Grimshaw was the interviewer. She says to Mr Morgan:

‘What’s the difference between the two little buns?’

Mr Morgan says:

‘One’s iced and one’s not. ... So you pay the GST on this one, exactly the same bun, un-iced, no GST.’

It sounds like a simple system! It sounds like a system riddled with inconsistencies. I can even see Minister Vaile at the table laughing at this—and well he may. The interviewer goes on to say:

‘But the other bun’s got raisins. Now the raisins aren’t bread but they don’t attract a GST?’

Mr Morgan answers:

That’s providing there’s no addition of glaze, no you can glaze them on top but you can’t ice them.

Ms Grimshaw says:

And are raisin, the raisins are not, they don’t attract a GST?

You can see she is getting a bit confused—as we all are. Mr Morgan says:

They don’t. If I put a bit of apple in there, it is subject to GST.

The interviewer says:

Okay so how are raisins different to say sesame seeds or poppy seeds on the other loaf?

Mr Morgan replies:

Well sesame seed and poppy seed are not GST, but you would find a cracked wheat ... subject to GST.

Mr Morgan goes on:

If that didn’t have cracked wheat—pointing to a loaf of bread—it’s not subject to GST.

Grimshaw says:

Okay so the cracked ... but so how ... I mean this must be terribly confusing to you ...

Well, confusing it is. It is a nightmare. This was supposed to be the simple new tax. That is what you get just going into a bread shop, under this little exercise. What we have got is effectively a demonstration of the nightmare on main street, first of all in the baker’s shop but replicated in any other shop that you want a look at.

We have said that consumers do need protection under this bizarre system—and well they might, when it comes to glazed and unglazed buns, raisins in and raisins out, poppy seeds in and cracked wheat in or out. They do need a bit of protection because they do need to know whether they are going to be ripped off. That is why Labor—having opposed the GST but it nevertheless having passed in the parliament—supported proposals to strengthen the price exploitation powers of the ACCC. Price monitoring is necessary during the transition.

But the provisions contained in this bill are highly questionable additions to the ACCC’s powers, because the bill introduces a misleading and deceptive conduct provision specific to conduct in relation to the GST. The fact of the matter is that the ACCC already has power to take action against corporations engaged in misleading and deceptive conduct. It comes from part V, including sections 52 and 53(e). The government has already relied on these powers in relation to a number of matters, including Sydney bookshop Gleebooks; and, further, the state fair trading laws already cover misleading and deceptive conduct for non-corporate entities. What is different about the new provisions that the government is proposing is that they come with an enormous sting in the tail: the penalties which I mentioned before. Quite literally, if
these are to be applied, it would put many businesses out of business, with the $10 million fine and up to $500,000 for individuals.

As I have said, Labor takes the protection of consumers very seriously, but the question has to be asked: why should this misleading and deceptive conduct in relation to the GST attract a bigger fine than other misleading and deceptive conduct? It is because the government views the world through the distorted prism of its blind obsession with the GST. It knows it is unpopular and it is going through a window-dressing exercise to try to make people feel more confident that they will not be ripped off. Let me make the point in terms of the rip-off: if the government are concerned that punters not be ripped off in relation to the GST, why will they not require disclosure of the GST amount on receipts? Of course they will not.

We wanted the government to legislate to require the GST component to be printed on all receipts. If the ACCC wants consumers to help them as their watchdogs, to help them stop price exploitation, why will they not allow disclosure of the GST component on receipts? The answer is that they want to hide the GST. This tax that they are so proud of they want to hide. They want to stop consumers understanding what the amount of the tax is, what Peter Costello is pulling out of their other pocket every time they go into a supermarket or a shop. They want to hide it. We will be seeking in the further stages of this debate to again put up the proposition that retailers be required to put the amount of the GST on receipts. We were told it was complicated. It is not complicated. Businesses have to make the calculation anyway for the purposes of claiming and transmitting. In any event, the largest retailer in this country says it is going to do it. Why will the government not, in the interests of protecting consumers, which it says this bill is about, require of all retailers a means of exposing the amount of GST.

Let me go to the inadequacy of the resourcing of the ACCC. The government has consistently failed to adequately resource the ACCC, leaving it unable to deal effectively with many of the GST complaints. It moves quickly when we hold up pyjamas and other items in here. It moves because the political pressure is on it. But it is totally inadequately resourced to undertake the massive policing exercise. Yet the government keeps telling people that this is the great protector of consumers. To put this in perspective, the ACCC recently told a Senate estimates committee that, apart from some contractors to survey prices, it has just 74 staff Australia wide specifically assigned to the GST. Does anyone seriously believe that 74 staff across the country—and, as I said before, only two for the whole of Queensland—can seriously police exploitation? Get serious! This government asserts that the ACCC is there to protect consumers, but it will not equip it with the powers and will not equip consumers with the knowledge of the impact of the GST so that they can make references to it.

The paucity of the staff leaves just one ACCC person to cover the whole of the Northern Territory, one each for South Australia and Tasmania and only two each for Queensland, Western Australia and New South Wales. It is a joke to suggest that the ACCC is properly resourced. A report in the Australian Financial Review on 24 March stated that since July 1999 the ACCC has received more than 7½ thousand complaints and inquiries in relation to the GST—and that is before this damn thing has even come in—and the number is growing, with about 1,000 calls received in one week last month. I have a letter from Nick Ellis, the Director of Compliance/Enforcement at the ACCC, dated 11 November 1999. It states:

The Commission receives in excess of 60,000 complaints each year. Commission staff, Australia wide, number approximately 350 persons. These limited resources and budgetary constraints mean that the Commission is unable to pursue all matters that are brought to its attention.

What a damning indictment. The Director of Compliance/Enforcement from the ACCC is saying that the ACCC cannot deal with it. Yet this government is putting through a piece of legislation trying to hoodwink consumers into believing that it has effective compliance and anti-exploitation mechanisms coming. If that is the problem now, imagine what it is going to be like when the GST comes into full swing. Here we have the watchdog admitting it cannot pursue all com-
plaints. We are concerned that it is inadequately resourced, but Professor Fels will not admit it. He has forgotten that the second ‘C’ in the ACCC is ‘Consumer’. He is not protecting the consumer. He is effectively protecting this government. He will not front before the Senate estimates committee. This is Allan Fels who, at the drop of a hat, will be in front of any television camera anywhere in the country, but who will not come and answer questions in this parliament. He will not appear before the Senate estimates committee. He has become an apologist for the government. He is supposed to protect consumers, so why has he never advocated disclosure of the GST on receipts? Why has he not sought assistance for consumers to enable them, empower them, to help him? He has always cooperated to hide that aspect. He has never come out and publicly supported disclosure on receipts. If he wants consumers to help him prevent exploitation, why deny them the basic information they need to help? The ACCC cannot do its job properly. It would not be able to prevent price exploitation and the government’s assumptions of a 100 per cent pass through on price effects—all collapse around it.

We, at a later stage, will be seeking a requirement for the ACCC to report on a more regular basis and for Professor Fels to actually attend in person in the Senate when the bill comes before that chamber. We believe he has a responsibility to actually answer to the parliament and to questions that the opposition wants to put, not to just comply with what the government wants him to do.

I want to go to the constitutionality of the price exploitation powers because this also is a major concern for the government. It is by no means the only problem facing the government. The price exploitation regime is founded on the states and Commonwealth agreeing to allow the ACCC to exercise anti price exploitation powers across the whole economy. It is intended to give the Commonwealth control over prices set across the economy, despite the Constitution, which prohibits the Commonwealth from legislating to fix prices.

The High Court’s recent re Wakim decision has thrown this entire price exploitation regime into disarray and casts real doubt over its constitutional validity. The regime is in disarray because re Wakim means enforcement of the ACCC’s powers with respect to state matters can no longer be brought in the Federal Court. The government itself has recognised it and introduced the Jurisdiction of Courts Legislation Amendment Bill 2000, which will require the ACCC to run between the Federal Court for federal matters and state courts for state related matters, which will primarily be enforcement actions against small businesses that are not incorporated. The enforcement of the ACCC’s price exploitation powers will become the dog’s breakfast that the rest of the GST is. Professor Fels is going to need a new set of running shoes to run between jurisdictions and all of those media performances. We hope he does not get lost on the way to the Senate.

But it is not only the Federal Court’s role that has come into question as a result of re Wakim. The anti price exploitation powers of the ACCC, including its guidelines seeking to prevent prices rising by more than 10 per cent, are under question. This is a very important commitment that the government has made. Graeme Hill, of the Australian Government Solicitor’s office, wrote recently in the Federal Law Review that the re Wakim decision may cast doubt over the ability of a Commonwealth administrative body, such as the ACCC, to perform state administrative functions where the exercise of those functions does more than enable the body more effectively to exercise its Commonwealth functions.

Whilst his remarks are only an aside and separate from the main decision of the case, which goes to judicial power, the validity of such cooperative arrangements is the subject of considerable debate and uncertainty. So what Labor wants is an assurance from the minister that the ACCC’s role is constitutional, and we will be seeking to get that from him in this debate. We want to see advice tabled because it is a fundamental issue that has to be settled. There is no point passing this legislation if it is going to fall over. If the government’s scheme is unconstitutional, consumers will have little recourse against price exploitation because of the GST. The
accountability of the ACCC, as I have said, goes to having Allan Fels turn up. I want to also take the opportunity to move a second reading amendment that has been circulated in my name to this bill. We will be moving other provisions in the consideration in detail stage, but as an amendment to the motion for the second reading I move:

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, this House condemns the Howard Government for:

(1) introducing the GST, an unfair, job destroying tax that is bad for families and bad for the economy;
(2) botching the implementation of the GST;
(3) failing to adequately resource the Australian Competition and Consumer Commission;
(4) acting hypocritically in imposing huge penalties for GST-related misleading and deceptive conduct while refusing to allow consumers to detect that conduct by putting the GST on receipts;
(5) imposing an onerous compliance regime on small business; and
(6) misleading the Australian people over the inflationary impact of the GST”.

We have a problem on our hands, and it is called the GST. This bill is about trying to give people confidence that there will not be exploitation, but the truth of it is inherent in this tax— that is, its unfairness. This is a tax that will not make people better off. This is a tax that is open to exploitation. This is a tax that is unfair. This is a tax that is inflationary, and those inflationary pressures are driving up interest rates, and those interest rates are eroding the tax cuts. You have only to look at the front page of the Daily Telegraph today to see the erosion of the so-called benefits of this tax system to ordinary Australians. This has been a deceit of massive proportions. We will continue to expose that deceit, but these powers will do nothing effective to stop the exploitation. (Time expired)

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! Is the amendment seconded?

Mr Emerson—I second the amendment and reserve my right to speak at a later time.

Mrs MAY (McPherson) (10.58 a.m.)—As I have said in this House before, I am proud to be part of a government that has the courage and determination to deliver historic and long overdue reform of Australia’s tax system.

Mr Crean—Mention the GST; make sure you mention the GST.

Mrs MAY—I will get to that. Australians have known for a long time that the tax system was a mess, but successive governments put the issue in the too-hard basket and merely applied short-term bandaid solutions. The tax act grew in complexity and bracket creep robbed mainstream Australians of the incentive to work and to earn more. The member for Hotham talks about unfairness. The wholesale sales tax system was a discriminatory and deceptive tax grab. It was very unfair. Few Australians were aware of it and even fewer understood it.

During 13 years in government Labor knew the tax system could not serve us into the 21st century but they lacked the determination and the vision to deliver a better system. What is even more disappointing is the way in which Labor have sought to oppose and undermine our efforts to bring about real tax reform in the national interest. Instead of supporting our package, instead of recognising that this was too important a matter for silly political point scoring, the opposition have sought to very deliberately create division, confusion and fear in the Australian public on this issue.

The latest in Labor’s fear campaign was a very alarmist and negative flier from Queensland Labor Senator Joe Ludwig which was distributed to local small businesses in my electorate. Entitled ‘GST alert’, it is clearly designed to scare small business operators and to greatly exaggerate small business requirements under the new tax system. While it details every possible scenario under the new system, it fails to mention the many business taxes being abolished. It fails to mention the simplicity of the paperwork and the raft of reforms and documents that will no longer be necessary. Most significantly, it fails to point out that Labor would keep the new tax system if they got elected to government. That is surely the bottom line: it
makes a lie of all their criticisms and complaining because the undisputed fact is that the GST will stay under Labor. The new tax system will stay firmly in place if they are elected to government. About the only changes we can expect under Labor are that income taxes will rise, the petrol excise will rise and Labor will create a few new taxes to pay for their big spending promises, because that has been and continues to be the Labor way.

The A New Tax System (Trade Practices Amendment) Bill 2000 is part of our plan to ensure a smooth changeover to the new tax system. In effect, it will give the Australian Competition and Consumer Commission the power to take enforcement action against misrepresentations by suppliers in relation to the effect of the new tax system changes. This bill does so by amending the price exploitation code contained in the Trade Practices Act 1974 to prohibit conduct in the course of supplying goods and services which falsely represents the effect of the new tax system changes or misleads or deceives a person about the effect of the new tax system changes.

The Labor Party can be grateful for the fact that they offer no good and no real service at all to the people of Australia, otherwise some of the false and misleading rubbish they have been saying and printing may be actually actionable by the ACCC. But, like I said, they are offering no service and no good for the nation, so they are off the hook in this sense, but I am quite certain that the voters of Australia will not let them off so lightly at the next election. At the next election, they will remember the scares, the carping and the complaining negativity the opposition represents on every issue. The Australian public will know that Australia’s national interest is a very low priority for Labor, that all they have been about is trying to score a few votes and that they are not fit to govern this great nation.

The legislation builds on amendments we have already made to give the ACCC powers in relation to price monitoring and enforcement under the new tax system. I would like to take this opportunity to congratulate the ACCC chairman, Professor Allan Fels, and his team for the dedication and diligence they have displayed so far in protecting consumer interests in relation to the new tax system.

It is a very sad fact of human nature that there will always be a few people who will seek to exploit any given situation. The changeover to any new system will be confusing for some. We are steadfastly determined to ensure that price exploitation does not occur and that consumers receive the full benefit of reductions in business costs and the abolition of other taxes. There are special arrangements in place of course for the transition period, and now this legislation ensures that false and misleading claims cannot be made which could affect consumer choices.

I note that the ACCC has instituted proceedings in the High Court against a business which made such claims in the Sydney Morning Herald—that the value of their apartment building would increase by 10 per cent on 1 July. The ACCC rightly believes that there is no basis for the company to make this claim and that it is misleading consumers in doing so. I understand the hearing will take place later this month. This is a clear indication that we will not tolerate people seeking to exploit the changeover. It is very important that all businesses, large or small, are aware of their responsibility both in terms of pricing and in terms of claims they make about the impact of the new system.

The ACCC have a number of excellent publications, including detailed pricing guidelines, which help businesses be aware and be prepared. I would like to detail the fundamental principles which underpin the ACCC price exploitation guidelines, and I quote:

The guidelines require that:

- businesses should reduce prices to pass on the full effect of any net tax reductions;
- any increase in price based on the GST should include a full offset for indirect tax reductions and other new tax system related benefits (such as WST and diesel fuel rebates and grants);
- no markup should be applied to the GST component of the price;
- prices should reflect only actual, not anticipated, tax increases;
businesses should not take the opportunity to increase the difference between costs and prices in dollar terms (the net dollar margin rule); and

- in any event, no price should increase by more than 10% as a result of the new tax system changes (the price rule).

These guidelines are all about ensuring that everyone gets a fair deal. After all, the changeover itself is not designed to provide a one-off boost for the coffers of business, although there is no doubt that businesses stand to benefit from many measures in the new tax package, which is good news for job seekers and good news for Australia.

However, the changeover itself must be about delivering benefits for all Australians. As most people would be aware, those businesses that may seek to exploit the changeover face penalties of up to $10 million for corporations and $500,000 for individuals. The Federal Court can make an order requiring the corporation to refund money to parties affected by the illegal conduct. The ACCC can also issue public notices about companies which it considers have engaged in price exploitation, but of course we hope that there is not the need to do so. I know that the vast majority of businesses, especially in my electorate, are preparing to do the right thing and to ensure that they abide by the pricing guidelines set down by the ACCC.

I am delighted that so many small businesses have attended the recent seminars conducted by the Queensland Chamber of Commerce and Industry on the Gold Coast. In fact we have had to schedule additional seminars because of the demand for places. Naturally, it is important that businesses make arrangements to ensure a smooth changeover, and the government is ensuring there is a lot of support available. We have seminars by the tax office, government funded seminars by the Chamber of Commerce and now a wave of electronic seminars via Sky Channel. There is one-on-one advice from a tax officer who will visit businesses to discuss their individual needs. Then there is free record keeping software from the ATO, advice via the ACCC’s pricing hotline—a whole range of places, web sites and phone contacts where businesses can receive advice and support. Is any of those direct support services outlined in Labor’s little scare flier they sent to small businesses in my electorate? Of course not. Instead, Senator Ludwig said, ‘I encourage you to contact me if you are experiencing problems obtaining the information you need to make the transition beyond 1 July.’ I would suggest that is the last thing any small business should do—contact the Labor Party. I would not expect anyone would receive any constructive advice from them considering they are opposing our new tax legislation. We all know that Labor’s only interest in this is to exploit confusion or uncertainty for their own political ends.

Speaking of which, I was very disappointed that Queensland is the only state government which did not support a referral of fair trading powers to the ACCC. Queensland has retained the discretion to issue a regulation that the amendment does not take effect at all. I believe most Queenslanders will be angered that the Queensland Labor government have decided to play politics in this matter. The whole aim of this legislation is to provide a greater level of consumer protection to ensure that unscrupulous businesses are penalised. Yet the Queensland Labor government want an ‘out clause’ effectively undermining our efforts to get tough on price exploitation. One can only question whether this is a ploy to try to create situations where Labor can turn around and say, ‘Look we told you the transition was going to be bad.’ I just think it is sad that anyone would undermine our efforts to ensure Australians all benefit under the new tax system. That has been our goal from the start and these measures to stamp out price exploitation and ensure that consumers are protected are a crucial step. Of course there is a whole range of other compensation measures—including $12 billion in income tax cuts, a huge boost in family assistance payments and increases in all pensions and benefits—which all ensure that no-one will be worse off.

The coalition government has gone to unprecedented lengths to ensure that no-one is disadvantaged by this tax change. In fact, the vast majority of Australians will be significantly better off. And when I say that this is unprecedented I think it is important we remember that tax changes in the past were
never subjected to the same fairness test. Labor have been running around saying that some people will be only a few dollars a week better off and that some people will benefit more than others, somehow trying to make this case seem very unfair. But the point is that no-one will be worse off. There was no such guarantee or even attempt at compensation or fairness when the Labor Party made tax changes when they were in government.

To look at just one example, after the 1993 election Labor raised indirect taxes by a whopping $10 billion. They increased wholesale sales tax. They increased petrol excise and they scrapped the income tax cuts that were l-a-w. Every single Australian who bought petrol and every single person who bought anything subject to sales tax—from toilet paper to orange juice to biscuits and soap—was worse off because they paid more at the service station and at the grocery store. Did Labor pay a single cent in compensation to Australian taxpayers? Did Labor ensure that price exploitation did not occur? Was there a Senate inquiry to determine just how these changes would impact on low income earners? The answer to all three questions is no. Labor raised taxes by a massive $10 billion and they did not pay a single cent to compensate Australian families, pensioners or low income earners for this cost impost. There was no scrutiny of prices. There was no control over what businesses charged. And what is more, Labor presided over much higher levels of inflation which caused incredible and constant price rises while at the same time allowing bracket creep to take more and more of the average weekly wage. That is part of the reason it amazes me that Labor have the gall to run a scare campaign on the new tax system—a system which has faced the scrutiny of a Senate inquiry and been found to be abundantly fair, a system with checks and balances, such as this bill and the powers of the ACCC, which will help ensure a smooth and fair transition.

This legislation is not expected to have a significant impact on businesses. They are already subject to misrepresentation provisions under either the Trade Practices Act or various state and territory fair trading legislation. But what it does do is allow the ACCC to act more decisively and to properly prosecute any cases involving price exploitation or misleading conduct in relation to the new tax system specifically. The Australian public deserve and expect such safeguards, and I do encourage anyone listening who has any concerns about specific cases of price changes or any advertising they feel is misleading to contact the ACCC and report it. It is important we act quickly on any unscrupulous businesses to send a clear message that the new tax system is about a fairer deal for everyone and that profiteering will not be tolerated.

I am pleased to support this bill. I am very disappointed that the Queensland Labor state government have not seen fit to do so. If Kim Beazley had any sort of leadership, he would be critical of the Queensland state government as well and be calling on a united approach in the national interest. But the last thing Mr Beazley wants is for Australians to be united on this issue.

Mr Deputy Speaker (Mr Nehl)—Order! The honourable member will refer to the Leader of the Opposition by his correct title.

Mrs May—My apologies. The last thing the Leader of the Opposition wants is for Australians to be united on this issue, or any other for that matter. He is into the politics of divide and conquer, which I think is very sad. It took the Howard government to have the guts to take the tough decision and deliver real tax reform, and Labor do not have even the courage to back us, even though they intend to keep the GST and the new tax system if they happen to get elected. I am looking forward to 1 July when Australians will begin to reap the benefits of the biggest income tax cuts in our nation’s history, when businesses will have a simpler reporting system, when all Australians will have a tax system that will serve us well into the 21st century—a tax system that is in the national interest, because Australia’s national interest is the bottom line in any decision this government takes. I commend this bill to the House.

Mr Cox (Kingston) (11.15 a.m.)—It is indeed unfortunate that the government has decided that this piece of legislation must be
dealt with by the House before lunchtime today and that each of us will have such a short time in which to talk about it and its deficiencies. The Labor Party is of the view that, if we are going to have this dreadful 10 per cent GST, the price effects of it need, as far as possible, to be limited. We have done our best to support government legislation which will have that effect. We are, however, looking forward to the A New Tax System (Trade Practices Amendment) Bill 2000 having some scrutiny by the Senate.

Indeed, I think that is very important in this case because this bill has some antidemocratic aspects to it which smack of censorship and authoritarianism. They are contained in its provisions that a person or a company who falsely represents, whether expressly or implicitly, the effect or likely effect of all or any of the new tax system changes will be subject to prosecution and penalties. In the case of an individual, they are of the order of $500,000 and in the case of a company, $10 million. The reason for the government wanting to do that is not so much to stop people misrepresenting prices for commercial gain; the reason that the government has brought this legislation in at this stage and wants it dealt with so quickly is that the government is becoming increasingly desperate about negative attitudes to the new tax system in the community which are growing, and it wants to silence its critics by fear.

Certainly this provision applies only to people who are involved in trade or commerce. General political debate should not be restricted—as the previous speaker, I think, hoped that it would be. I am sure that the member for Rankin will take up some of the points that the member for McPherson made in relation to the Queensland government and Queensland politicians. However, we do have a pattern emerging. I note, by way of example, that in this morning’s Australian on page 18 there is a report about David Vos criticising Treasury’s PRISMOD model, the analysis that was done using it and the judgment that the government then made about what the price effects would be on cars. David Vos said that the government was wrong about its judgment that the price of cars would fall by 8.3 per cent when the GST comes in and that, in fact, the situation has now been reached where, on 1 July, the only way for the price of cars to go is up. If Mr Vos had been engaged in trade or commerce, if he were selling cars or if he decided to sell his own car in the backyard through the classified ads in the newspaper, subsequent to having made this comment and subsequent to this bill having passed, then perhaps the government and the Treasurer would like to see him prosecuted for having contradicted them. The heavy penalties contained in this legislation are really just a stunt by the government more than an effective measure to try to convince people that there will, in fact, be an effective clampdown on prices. The legislation is designed to allay people’s fears and give ministers something to say out in the community when they know that things will be very different.

In the remaining two minutes I have, I want to refer to another part of this pattern of deceit that the government are into at the moment, and that is the system of public compliance commitments which the ACCC is implementing. They have written to all the chief executives of major companies and asked them to make public compliance commitments that they will be complying with the ACCC’s pricing guidelines. The documentation that is attached to that letter says that those commitments, even when they are accepted and registered by the ACCC, will not protect the company from prosecution should price exploitation be shown. So again we have another stunt. We have the government trying to get companies to say that they are complying with guidelines: the government are not confident that they can administer in a manner which can give confidence to both companies and consumers that there will not be price exploitation of consumers or prosecution of companies. It is just another stunt.

Mrs MOYLAN (Pearce) (11.21 a.m.)—Firstly, I will have to respond to the member for Kingston’s comments on the A New Tax System (Trade Practices Amendment) Bill 2000. This is no stunt. This is an important measure that is being taken to ensure that both consumers and businesses are treated...
fairly in the implementation of the very wide-ranging new tax system. It is important that, with such an immense change, a responsible government ensures that there is legislation to stop exploitation and deception by some who might take advantage of this implementation period. The member for Kingston did not say in his speech that this measure is going to be operating for two years—there is a sunset clause that applies—and this is reasonable in that it is designed to ensure that that kind of practice, that is, misleading and deceptive practice, is not carried out during the implementation phase of the new tax system.

The amendments are an important adjunct to the implementation of the new tax system. They amend the price exploitation code by inserting a new provision placing a clear obligation on businesses not to engage in misrepresenting or deceptive pricing claims as to the effect of the new tax system. The Australian Competition and Consumer Commission will be responsible to receive and act on all complaints on a national basis. I think it is very important that we have a central agency with the expertise and the experience to manage those complaints and to also assist businesses understand how they should apply some of the pricing guidelines. Some measures were taken in the period leading up to the implementation of the new tax system to give the ACCC the power to monitor prices and stop consumer exploitation and excessive profit taking. The states adopted the schedule version of VB to establish the national price exploitation code. Part VB was inserted into the Trade Practices Act 1974 last year.

It is important to recognise from the outset that the vast majority of businesses throughout Australia—and I want the message to go out loud and clear—will not take advantage of the public in this period leading up to the implementation of the new tax system and the immediate post-implementation period. However, there are always a few who will seek to gain an advantage at the expense of the public by deceiving the public about the impact of the new tax system and the cost of goods, and this bill deals specifically with the issues of misrepresenting the effect of the new tax changes in pricing decisions. It sends a very strong signal to anyone contemplating misrepresenting the effects of the changes to the tax system. The penalty will be the same as for price exploitation. It will be $10 million for a company or up to half a million dollars for an individual. I think it is very important that there is a substantial penalty. To avoid the need to satisfy criminal onus of proof as far as any breach is concerned, section 76 of the act imposes pecuniary penalties. They are substantial and that is for a good reason. It also amends section 75B(1) of the act to ensure that anyone aiding and abetting or knowingly concerned in the contravention of this act can be subject also to these penalties. Defence against these penalties relies on the respondent establishing that the action taken was due to a reasonable mistake or a reasonable reliance on information supplied by others or to other circumstances outside the respondent’s control where the respondent took reasonable precautions and exercised due diligence to avoid an offence under the act.

These are very tough penalties and demonstrate the government’s determination to ensure that community concerns are taken into account in the transition to the new tax system. The public must feel confident that the government has taken whatever steps are necessary to stop any misleading or deceptive conduct as well as any intention to exploit the public over this period of time. This is not directed at those conducting their businesses in a legitimate way; in fact, if any business requires clarification there is a special phone line and a web site to the ACCC to ensure that assistance is given where it is required. In effect, the bill extends the price exploitation code and enables the ACCC to take action against suppliers who misrepresent the effects of the new tax changes. Without the introduction of these measures the public would, as I said, be exposed to those few businesses who may use the introduction of the new tax system to make false representations, mislead and deceive in connection with the supply or promotion of goods and services.

Despite existing trade practices provisions and state laws in relation to fair trading, this bill will impose much tougher penalties than
existing legislation provides for, sending a very clear signal to the business community to fairly represent any changes due to the change to the new tax system. This bill also amends the Trade Practices Act 1974 to clarify the ACCC legal basis for performing certain access undertaking functions. The amendments do not extend the ACCC existing powers and are consistent with the original intention of the legislation. These provisions will commence when the bill becomes law and, as I said earlier, there is a sunset clause that applies so it will continue to operate for two years after the implementation of the GST. It will apply to incorporated and unincorporated businesses. The amendment to the schedule may apply as legislation in every jurisdiction in Australia with little or no action required by the state or territory governments. It will be up to each state and territory to declare when the amendment will take effect or if, indeed, it will take effect at all within a particular jurisdiction. In other words, the states and territories have discretion.

The minister indicated in his second reading speech that all states and territories except Queensland have enthusiastically welcomed the opportunity to have the ACCC oversee the introduction of a new tax system related misrepresentations across their jurisdiction. The ACCC has much to offer in this respect as they have the price monitoring experience and the ability to investigate the tax related misleading or deceptive conduct. This provides consumers with the best possible protection against undesirable practices during the introduction of the tax system. It is the Queensland consumers who will miss out on the additional assistance that the ACCC can provide to that state. It seems to me quite extraordinary that a state Labor government in Queensland would deny Queensland consumers access to the additional expertise of the ACCC during the implementation of such important changes to the tax system. One can only speculate on the reasons Queensland has decided to remain out of that system and not take advantage on behalf of their consumers of the offer to have the ACCC oversee these changes and be able to act on any misleading or deceptive conduct.

These changes to the tax system have been called for from a wide cross-section of the business community for many years, and in fact not only the business community; pensioners and people with families have acknowledged to me the deficiencies in the tax system that has become somewhat ramshackle over the years and certainly does not, in its present form, serve this nation as it should. There will be major benefits for businesses, particularly exporters who will be able to claim back the GST paid on business expenses and of course become more competitive in an increasingly global economy.

Those on wages and salaries will receive substantial tax cuts to their incomes and there will be additional benefits for families and children. The prices of many goods will fall, and that is not being expressed by those who would want to make mischief about the impact of the tax changes. It is important that people understand—consumers particularly—that some prices will fall substantially. That is due to the removal of the wholesale sales tax on many items. Some items will, of course, remain taxed at about the same rate, because in some cases when the wholesale sales tax is replaced by the GST there will be little change in the price, and there will be some items that currently do not attract wholesale sales tax that will attract a GST. So there will be some swings and balances, but the net effect should be very beneficial to Australian consumers.

Businesses are keen to see that the change occurs smoothly, and I am certain that the vast majority of businesses would welcome measures that would deter others in their community from misleading consumers. Genuine businesses value their customers and will want to do the right thing by them in a competitive environment. The cost of not looking after the interests of customers will certainly come at a high price for those in business in the long term. I am sure that that will be a great disincentive to anybody who might think about misleading or deceptive conduct, and they might rethink that position in relation to their long-term business interests.

Consumers, too, need to be aware and alert to the practices that might occur in this
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changeover period, and any concerns that consumers have should be promptly referred to the ACCC for investigation. The ACCC has in this respect put together an excellent information package which has been circulated very widely. Certainly all members and senators would have one of these. That package provides information to ensure that consumers and businesses are aware of the changes that have been taken and the role of the ACCC in monitoring prices. There are a number of really excellent publications put out in this whole package that the Australian Competition and Consumer Commission has prepared. I would commend it to any consumer or business that wants further information on it. There is a book on public compliance commitments, which runs through in some detail what those commitments are. There is the Australian Competition and Consumer Commission role and functions so that the public know just what the role of the ACCC is in overseeing the conduct of businesses in relation to these changes that are taking place in the tax system. And there is additional information. There is a package of material on price exploitation and the new tax system, which again can alert members of the public to some other problems that may occur.

Of course, this package was put together and the guidelines were prepared after very extensive consultations. This is not something that the Australian Competition and Consumer Commission has dreamed up by itself. It has gone out and consulted widely, not just with industry but also with consumers or consumer representatives in the community. After those consultations the ACCC has prepared guidelines about price changes brought about by the new tax system, and those changes of course will take place on 1 July this year. These guidelines have a simple rule, and that is that business should not increase the net dollar margins on their goods and services as a result of this new tax system. Again, that is set out very clearly in the literature that has been provided as part of this kit. In the media release that came out with the kit, the ACCC has said that, in any event, the guidelines now explicitly state that no price should rise by more than 10 per cent because of the new tax system. It is made quite clear. They go on to say:

On the one hand, consumers are protected as business cannot add to profits as a result of the tax changes, and on the other hand the rule is fair to business because it can recover any net tax and cost increases and maintain existing profits.

In fact, Professor Fels said that, while the principles remain unchanged, the guidelines have been updated to take account of new legislation and matters arising from the ongoing consultation process. As I said, in establishing these guidelines there has been wide consultation with stakeholders, including industry and consumer representatives. The Australian Competition and Consumer Commission has provided guidelines that are firm and fair after that consultative process has taken place.

This package provided by the ACCC explains very clearly the role of the commission. As I said, this book called The Australian Competition and Consumer Commission sets out very clearly the roles and functions of the commission. I suppose in brief they are promoting education and awareness. It is enormously important with a change of this magnitude that both consumers and industry representatives understand what the changes mean and how they will affect their business or how they will affect them as consumers. So the education and information process established by the ACCC is very important indeed, and to facilitate that process they have established an Internet web site and there will be a phone line that people can contact quite easily.

In addition to that, there will be publications. These will be sector specific guides for small business, franchising, health, rural producers, travel and tourism, telecommunications, and standards. And there will be general guides on exports, access authorisation and notification, unconscionable conduct, country of origin, telecommunications, GST price exploitation, and publications explaining trade practices law in relation to advertising and selling, warranties and refunds and refusal to deal. In addition to that, they will publish procedural guidelines on mergers and unenforceable undertakings. So it is a very comprehensive guide to the role of the Aus-
tralian Competition and Consumer Commission in ensuring that this change goes smoothly and that people are aware of both their rights and their responsibilities. The other roles that the commission will take will be handling complaints and, of course, monitoring and enforcement, including the issuing of notices. So they will take a very important role in taking public complaints about any businesses which are engaging in misleading and deceptive conduct or, indeed, price exploitation.

This bill, along with the ACCC guidelines, does give the public confidence that they will be fairly treated and that businesses will have very clear guidelines and a great deal more certainty in their roles and responsibility to the public in regard to the changeover to the new tax system. This is very sensible legislation, very important legislation. It is not unusual. There were suggestions from the member for Kingston in his speech that there is something inherently wrong about applying penalties to corporations for breaches—some allegations there—which I think was drawing a long bow. The fact is that we have a vast amount of corporate legislation to make sure that in matters dealing with consumers and industry the consumers can be reasonably assured that there will be a level of protection from practices that are undesirable. This legislation is a sensible approach to managing the change to the new tax system and ensuring that both the consumers and the business people in this country have access to the information they need to make sure that that goes smoothly and without unnecessary litigation and complications. So I would commend this bill to the House.

Mr Emerson—Madam Deputy Speaker, I raise a point of order. Any accusations about false or misleading statements has a process in this House. Those accusations should not be made, unless it is through due process.

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—I think the member for Rankin will have to keep to the standing orders.

Mr Emerson—The member for McPherson claimed that a whole range of taxes are going to be removed. Obviously what has happened is that she has received the propaganda brief from the Treasurer’s office which predates the deal with the Democrats, because the government went to the election saying that 10 taxes would be removed under the GST arrangements—but in fact only four are being removed. Four! This is supposed to be the ‘many taxes that are going to be removed’. They are: the wholesale sales tax; the financial institutions duty; one stamp duty on shares; and bed taxes, of which there are none in Queensland. The member for McPherson does not understand the GST legislation, the GST arrangements. She comes into this place with the propaganda brief from the Treasurer’s office. I think that is why the government are in so much trouble. The backbench do not understand the legislation. They do not understand the arrangements, so they are making a whole lot of claims that lack foundation.
This legislation—this whole GST system—is botched. It is supposed to be business friendly, yet there are 75,000 businesses paying the wholesale sales tax at the moment; when this legislation comes into force on 1 July it is expected that there will be in the vicinity of 1.4 million to 1.6 million businesses paying the GST. That is, for every business paying wholesale sales tax at present more than 20 businesses, as unpaid tax collectors of the government, will be paying the GST. The Australian Society of Certified Practising Accountants, the great advocates of the GST, have warned:

The Federal Government must do more to help businesses through the tax reform maze ...
And:
... businesses of all sizes are grappling with massive, unprecedented change and they need more practical assistance ...
That is the warning from the accounting profession. There is already legislation in place to deal with price exploitation. This legislation is simply to try to muzzle the ALP and other people who present the facts about the GST, and the government does not like that. I have prepared two GST information kits in collaboration with the Deputy Leader of the Opposition. They are designed to assist business and consumers to understand the true impact of this tax and how it will operate. If the government truly wanted to protect consumers they would agree with our amendment, which we have put now for the third time, that the GST be shown on dockets. This tax is supposed to replace Labor’s hidden wholesale sales tax, but it is going to be a hidden GST. The government and the Democrats continually refuse our amendment to put the GST on dockets, which is what happens in Europe and Canada. If it is good enough for Europe—as the Treasurer keeps saying, ‘Look, the Europeans have a value added tax, so why shouldn’t we have one?’—if that is the argument, an argument that I do not accept, let us have the GST shown on dockets.

I have prepared a petition which now has more than 2,000 signatures expressing the views and the will of the people of Rankin that the GST should be shown on dockets so that they know where they are paying tax and how much they are paying. If the government truly wanted to protect consumers they would put more than two ACCC inspectors in Queensland. Queensland government members are silent on this. Two inspectors to go around to all the businesses in Queensland to make sure that they are not engaging in price exploitation! The whole thing is a sham. They are not interested in protecting consumers from the GST. All they are interested in is muzzling debate and muzzling the people who want to get the true information about this unfair, anti-business tax out into the community.

Mr CADMAN (Mitchell) (11.46 a.m.)—There must be a lot of right stuff in this bill, the A New Tax System (Trade Practices Amendment) Bill 2000, that we are dealing with in the House today—for the opposition hasn’t much to say against it. Today in this parliament we are passing measures that make sure people do not exploit members of the public when the goods and services tax is introduced. It is a sensible approach—the community needs that protection. I know that in their hearts the opposition agree with this measure. It is a protection contained in the Trade Practices Act 1974 and these amendments strengthen sections of that act purely for the purposes of the goods and services tax. Two years after the introduction of the tax these measures go out of existence. There is a sunset clause which states that following the introduction of the tax in two years time these strong measures, which are there to make sure that there is not exploitation of the public on prices by anybody in the system, will cease.

I will deal with the legislation first and then comment on some of the arguments that have been employed today by members of the opposition. Some of their arguments really need attention. They are misleading, and I say that not about one of those arguments but about all of them. They are there to confuse, frighten and upset the public. We will see on 1 July how many false, incorrect and misleading statements there have been. This legislation is being introduced to prohibit a corporation in trade or commerce from engaging in certain types of conduct. It will stop it falsely representing, either expressly
or impliedly, the effects or likely effects of all or any of the new tax system changes or misleading or deceiving or being likely to mislead or deceive a person about the effect or likely effect of some or all of the new tax system changes. The prohibition applies only where a corporation engages in such conduct in connection with the supply or possible supply of goods and services or the promotion of the supply or use of goods and services.

We saw Woolworths in Wagga Wagga use a technique which could only have been a sort of a pump-priming sale process. They put labels on their garments which said, ‘These garments are going to cost 10 per cent more after the goods and services tax is introduced.’ By that process they were trying to force people to buy ahead of their natural requirements and ahead of their natural time. It was a sales promotion, a gimmick, to get people to buy garments. We understand the way in which commerce works, but the facts of the matter do not stand up. They did not go through their stores and put labels on those things which are actually going to fall in price after the introduction of the goods and services tax, and that is what the consumer needed to know.

Mr Sciacca interjecting—

Mr CADMAN—The consumer needed to know and be able to make a fair judgment on what goods would rise in price and what goods would fall in price. Woolworths are not prepared to do that. They are prepared to selectively label products that they consider will rise. The Australian Consumer and Competition Commission, the ACCC, went in after Woolworths and they were forced to change their approach. Hence this legislation.

This legislation seeks to prevent that. It applies of course not only to the introduction of the goods and services tax but also to the excise on tobacco products, the reduction of wholesale sales tax rates from 32 per cent to 22 per cent for certain goods, the abolition of the wholesale sales tax and the introduction of the luxury car tax. The penalties which apply are substantial. The thing is to frighten those people out of even contemplating trying to dud the public. The public should not be duded. If the member at the table, the member for Bowman, is in favour of the public being uninformed—and I do not think he is, but he sought to interject earlier—that is a problem. The public should be informed—they need information. Then they can make their own decision; they can be aware and cautious in their purchases if they have the full information. That is what the government’s legislation is seeking to do.

The ACCC has already used its powers in a number of instances with the introduction of the goods and services tax, and properly so. People have asked: how are you going to keep prices under control? There is the theory that the marketplace will keep prices under control, and there is also the need to back that up with some strong legislation and empowerment of the Australian Competition and Consumer Commission. The ACCC has used the existing laws against a real estate company that advertised that it was widely believed that the prices of new homes and land were set to increase by up to 15 per cent as a result of the imposition of the GST. Why shouldn’t it move in on that? That is just a come-on advertising process to encourage people to buy houses and land ahead of time. The implication of those words—that the prices of houses and land would rise by 15 per cent—is absolute nonsense and rubbish.
It is a false statement. The consumer was protected by the actions of the ACCC.

In another instance, a construction company claimed that the value of its apartments would instantly increase by 10 per cent in July 2000—another case of a company seeking to falsely encourage purchases. There are three other instances of used car sellers who ran advertisements calling on consumers to ‘beat the tax man today’ by purchasing vehicles before the introduction of the GST. This is absolute nonsense. Car prices have come down and will continue to come down. The government has managed the transition period of the goods and services application to the motor industry with a great deal of skill, in my opinion. But false statements like that need to be stopped. One bookstore printed on its customer receipts the words ‘Books will cost 10 per cent more with a GST’. Ahead of the time, and in the way in which they did it, that was just an advertising gimmick.

The ACCC has also objected to the use of dual ticketing as a marketing tool, and I have already mentioned that. If it is going to mislead customers, it needs to be stopped. I will just take a moment here to indicate that I do understand the need for retailers to order a long time ahead. I understand that, where retailers are ordering offshore, ticketing is done offshore. Retailers, large chains, need to make provision for the change in prices that will occur following the introduction of the goods and services tax. There is a reasonable argument for people to be able to undertake dual ticketing, and the government has heard that argument and has responded. But it should not be a dual ticketing process that extends from Christmas 1999 to Christmas in the year 2000. That is a process of encouraging people to buy when they have no real inclination. It is false advertising.

The bill prohibits corporations in trade or commerce from engaging in conduct that is misleading and deceptive or likely to mislead or deceive. There is already provision for prohibition against misleading in relation to the price of goods and services. However, the government, with this legislation, has gone further. The key words in the bill are where the process ‘falsely represents’ or is likely to have the effect of misleading or deceiving. So this is a somewhat stronger measure. The new prohibition on misrepresenting the effect of the new tax system changes will capture conduct that is already prohibited by state and federal legislation. It drags people in.

I draw the House’s attention to a couple of interesting items in regard to the government’s role in policing the introduction of the goods and services tax changes. The insurance company Zurich Australia has been forced to repay some of its policyholders following complaints on the consumer hotline to the prices watchdog, the Australian Competition and Consumer Commission. It was reported in the Australian Financial Review on 1 March:

In the biggest case yet of business being caught out on the GST, insurance giant Zurich has been forced to refund nearly $50,000 to policy holders.

The Australian Competition and Consumer Commission said it had identified ‘systemic failure’ in Zurich’s calculation of the GST applying to 348 workers’ compensation policies. That is proper application and action by the ACCC, and we are strengthening its capacity to do that. The ACCC has warned it will clamp down on businesses that charge unfair prices. Again, the same article in the Australian Financial Review states:

And last night, the competition watchdog warned businesses to get their houses in order or face tough scrutiny over GST implementation ...

Another six insurance firms, apart from Zurich, are being investigated ...

There is a hotline number, and the hotline number is 1300 302 502. That is a hotline for consumers to use. Altogether, the ACCC has handled 2,500 complaints via its GST hotline. It has investigated 175 of those complaints, and activity has been focused on insurance in the motor vehicle and building industries. They have been the main culprits, the ones most likely to make claims that are misleading.

The ACCC started proceedings against Meriton Apartments for misleading advertising relating to the GST—I have already mentioned that. The monitoring will continue until July 2000 with four main surveys comprising 9,000 outlets across Australia and covering three million prices. That is the ex-
tent of the government’s determination to make sure that there is proper observance of the changes by the commercial world.

Woolworths, following the fiasco of double labelling, put out a statement about its perspective on the full impact of the GST. This is a responsible action by Woolworths, but it brings to light the fact that the sales campaign with the garments was a try-on and it then issued a statement saying what the true facts were. The Woolworths Group managing director, Roger Corbett, said in a statement on Sunday, 27 February 2000:

"... prices in Woolworths stores will not move dramatically when the Goods and Services Tax is introduced on 1 July 2000.

"We want our customers to be clear and confident about the relationship between the GST and prices in our stores ...

"In overall terms, we estimate that Woolworths' supermarket prices will only go up by 0.8 per cent of current sales value. That is 80c in a $100 purchase. So for the average family that spends a couple of hundred dollars a week on groceries at Woolies there will be $1.60 extra money in your pocket from the tax cuts. That is the way it is going to work. Mr Corbett went on:

"Around half of everything sold by supermarkets will be GST-free ...

"We estimate that prices of general merchandise in our Big W stores will rise by only about 1.1 per cent. That is $1.10 on a $100 purchase or $2.20 if you spend $200 per week at Big W. Mr Corbett went on:

"Customers will get clear benefits from the removal of the wholesale sales tax.

"These estimates are based on today's prices and the mix of our current volume of sales—which is a fair enough statement—

"As we get closer to the introduction of the GST it is important for everyone to understand the bigger picture of what this all means for our customers.

The customers, so the opposition says, need to know how much tax they are paying. It is a very simple thing: the tax will be on all of the things they buy except food. If they calculate one-eleven of what they pay, they will know precisely what the goods and services tax is. It will be on everything at the same rate, and a simple calculation of taking one-eleven of the total purchase price will give them the tax measure that the government is collecting. It does not have to be labelled separately. It does not have to be in the most confusing way that many overseas countries do it where they put a label on and then, when you get to the checkout, you find that you have to pay another 10 or 15 per cent or whatever their value added tax is. That is not the system we are adopting in Australia. Nobody is going to be caught that way. The consumer will know the price on the shelf and at the checkout. That is the decision taken by this government.

I was interested to hear some of the comments by the shadow Treasurer because he is not known for getting things right or for getting his head around facts very well. So I did some chasing back to have a look at some of the statements he has made over time about the goods and services tax. I came across this statement when he was Minister for Primary Industries and Energy in 1992 when he was quick into the fray to attack the goods and services tax. I quote from Hansard of 25 November 1992 when Mr Crean in full flight was talking about the goods and services tax. I quote from Hansard of 25 November 1992 when Mr Crean in full flight was talking about the goods and services tax.

"But do you know what the GST is, Mr Speaker? It is a tax on value adding because it taxes every stage in the value adding process. Have you told that to the farm sector?

What a mistaken concept! No understanding whatsoever of the goods and services tax, and he is the man that pretends to be the Treasurer in waiting of the country. He went on to say, after opposition members corrected him on that:

"It is not wrong. It is a tax of value adding and you are fools if you do not understand it.

We have heard that expression 'you are fools' a number of times from Mr Crean over the years. It seems to me that he uses it most frequently when he is uncertain of his own ground. But, in this instance, he was completely wrong. He had no concept, no understanding whatsoever, of the application of the goods and services tax. In another speech a year earlier when attacking the then opposition, he said that the 15 per cent goods and
services tax that was being proposed by the
opposition at that time will hit consumers
‘with a 15 per cent hike on everything they
spend’. There he goes again saying there will
be a 15 per cent hike and not being prepared
to allow that, by the removal of taxes and
charges, prices will come down before a
goods and services tax is added. The cam-
paign of frightening and scaring people will
be put to rest on 1 July. It cannot come too
soon for my liking, because then we can start
comparing the statements being made by the
Australian Labor Party today with reality.

Mr RUDD (Griffith) (12.06 p.m.)—In-
ccluded on every government member’s com-
pulsory reading list for the next three months
leading up to 1 July this year, I believe,
should be this publication here: the ACCC’s
March 2000 guidelines, entitled ‘Price ex-
ploitation and the new tax system’. If the
ANTS package itself and its 1,000-plus
amendments were volume 1 of the nightmare
on main street, what we have in this publica-
tion, without question, is volume 2. V olume
1—that is, the ANTS package itself—effec-
tively quintuples the compliance burden for
Australian small business in relation to its
taxation responsibilities. But with volume 2,
the ACCC guidelines, what we have is the
open threat to bankrupt those who do not
understand this complex regime that has been
imposed upon them. What we have here with
the ACCC regime and these guidelines is, in
fact, a sequel to the nightmare on main street
which has already gone through this House. I
am sure that this document will be so popular
among government members that, come 1
July or in the weeks leading up to it, they will
ensure that every small business in their
electorate has a copy of this document. Or
perhaps on 1 July, when they all host their
‘welcome the GST’ barbecues in their elec-
torates, they will have a good pile on hand to
make sure that everyone gets hold of a copy.

The ACCC guidelines have multiple core
problems, and I will mention just three of
them today. The first is this minor matter of
constitutionality about which the Deputy
Leader of the Opposition spoke before. I will
not repeat his arguments but simply make
this quite sober prediction: subsequent to the
re Wakim judgment, when the ACCC initi-
ates its first substantive action against a retail
major in this country, it will be challenged
and the ACCC will quite probably go down.
So, as a consequence, what you will have is
the collapse of the entire pack of cards—the
entire farce and facade and fig leaf, which
constitutes this government’s purported con-
sumer protection regime. In fact, that has
already been threatened directly by the BCA.
David Buckingham said recently, through the
Financial Review:
... anything that constitutes a de facto price cap
that will cause an erosion in business margins is
utterly unacceptable. In those circumstances,
some of the companies involved have said they
would consider a high court challenge to the Fed-
eral Government’s constitutional power to impose
a price control regime.

That is not the ALP but the Business Council
of Australia speaking—not, I think all mem-
bers would agree, a front organisation for the
ALP.

The second fundamental problem in rela-
tion to this whole scheme of the ACCC is its
simple workability. Business does not believe
it is workable; the BCA does not think it is;
the ACCI does not think it is; and the Aus-
tralian Retailers Association has reservations,
as does the Food and Grocery Council—
again, not exactly all front organisations for
the ALP. They all oppose these guidelines.
To quote Mr Buckingham again, he describes
them as a process which is both ‘onerous and
unnecessarily costly’. He goes on to say:
... the ACCC’s role was essentially a response to
the difficult political challenge of convincing the
public the tax package would deliver benefits for
consumers and taxpayers ... the tax changes
would not present business with any new oppor-
tunities to exercise market power ...Yet the entire
business community is now saddled with an ab-
surd and costly price monitoring regime which is
set to operate for 27 more months.

I would simply advance the argument that, if
you do not have business on the cart with this
entire new regime which the ACCC is sup-
posed to implement, how are you going to
make it work?

Let us go to just one of the methodological
problems which arise as a consequence of
this set of guidelines. That is the very simple
but complex question: how do you quarantine
out GST related factors in the calculation of
the price delivered by a particular retailer post 1 July from any other non-GST related factors? I am sure that those who have put the scheme together would argue that we turn, for example, to guidelines 1.37 and 1.38, which relate to 'upstream and downstream markets'. They state:

Whilst a key focus for the ACCC will be consumer markets, there will also be active monitoring of businesses in upstream markets.

Some upstream market prices are traditionally tied to world prices, for example some base metals. The ACCC recognises that these prices will continue to fluctuate in line with world prices, independent of the effect of the New Tax System ...

That is terrific. How do you methodologically propose to separate them out? They then say, turning to section 2.55, that there may be 'exceptional circumstances in this entire regime which the ACCC will need to take into account in terms of justifying a particular price increase by a particular business'. The bottom line is that, methodologically, I would dearly love to see the working papers which, the ACCC would advance, would constitute an effective methodology to separate out those things which come from the tax and those which do not.

My final point goes to the matter adequately and eloquently already made by the Deputy Leader of the Opposition, and that is the resources of the ACCC. How many extra competition coppers are Felsie and the ACCC going to get to try to enforce this regime? Seventy-four nationwide. How many in the state of Queensland? Two. How many in the state of my colleague from South Australia? One or two, but I cannot remember which now. But the bottom line is that it is simply unworkable. There are already, we understand from the public record, some 7,500 complaints in the pipeline with the ACCC. But the ACCC with its existing staff base cannot cope with the rest of its regulatory burden already imposed upon it by the rest of Australian competition law. So how are these 74 going to cope with this extra burden imposed upon them, with something like 100 million economic transactions each day across the entire economy? They simply will not. It underlines why this exercise is a farce, why it is window-dressing and why it does not constitute any substantial addition to consumer protection, given the introduction of this new tax package.

Mr ALLAN MORRIS (Newcastle) (12.12 p.m.)—The amendments before the House to amend the Trade Practices Act, taking into account the implications of the GST and the government's proposals, would be farcical were they not so serious. We have quite severe and punitive provisions about misleading practices and misleading conduct and penalties available to the courts in terms of people who mislead others about the implications of the tax changes. I suppose the irony of all this is, firstly, that the government itself is totally misleading. It misled the people even before the legislation came in, and it continues to do so. So it will be interesting to see how those punitive provisions and penalties will work.

The fact also is that this new tax is coming in while being kept secret by legislation. We know there are penalties for misleading conduct. But, quite seriously, at the moment most of the community and certainly most business people do not know how the GST is going to work. So whatever they say could be misleading and could be construed as such, and they could be penalised for such. Of course, minister after minister misleads the public on how the tax applies. Members of the government for quite some time have been misleading the public about the inflationary effects and the effect on caravan park residents. There is a whole range of issues on which government members have been misleading the public in a substantial way. I think that continues virtually daily. To then put up these $10 million fines for companies that mislead the public is just a bit of a joke. It is just adding one more ingredient to the nonsense that has been talked about this tax.

The shadow minister for small business will move an amendment at a later stage regarding the implications for small business leases. As a member of both parliamentary inquiries into small business, I am deeply concerned that the government got away with murder in terms of its response to the Reid report. It purported to adopt and implement that report almost in its totality when in fact it did not. I know that, it knows that and
small business knows that. Those small business people who think that somehow this government has been supporting them are not too close to the mark on some issues. Anybody who has been involved with the leasing issue would know that the government has actually been a friend of the big landlords for more than a year in New South Wales.

Early last year, the state parliament of New South Wales passed legislation to introduce unconscionable conduct provisions into the tenancy legislation. This would mean that the landlords would have less power to be deceptive and unfair in their dealings with their tenants when either renewing or initiating leases. These were important changes and very much in line with the Reid report. Members will recall what this government said when the government responded to the Reid report. When we recommended a national system for tenancy leases, the government’s response was, ‘That is basically a state matter. It has nothing to do with us. Let the states do that.’ The fact is that New South Wales has picked up a substantial part of the recommendations from that report and put them into legislation. However, the empowering authority for these provisions is part of the Trade Practices Act.

For over a year the national Treasurer has refused to allow that legislation to become operational. It has been passed by the state. It is technically available instantly if the Treasurer would allow it. He has actually stopped it. There are tenants in New South Wales who are now signing up for leases and whose landlords are acting unconscionably. The Commonwealth knows that, the state government knows that, the tenants know that and the landlords know that. They also all know who is causing the problem. It is being caused by the Treasurer refusing to allow that part of the state legislation to become operable.

The amendment to be moved by the member for Hunter would allow that to happen. This is really a good test of the government’s mettle. This is a nice neat way out of it. This is what the government should have done itself. This is a much cleverer or better way out of it than it going to the Treasurer for his approval in terms of savings within the act and within the ACCC. This is the real test for government. If it supports small business then it should accept this amendment. For those on the government side who are concerned about small business being at the mercy of large landlords, this is a way to help. It is a very small amendment. It would have enormous implications for commercial tenancies in New South Wales. It would reflect what the government said in response to the Reid report—that is, that tenancies are actually a state matter. Let New South Wales legislate appropriately for its own tenants.

Mr KELVIN THOMSON (Wills) (12.19 p.m.)—A New Tax System (Trade Practices Amendment) Bill 2000 is the latest in a long line of bills, amendments and regulations which we were told would simplify tax administration in this country. You have really got to laugh when you think that the Treasurer was making this claim that we would get a simplified taxation system. We note that the last time the Treasurer used the word ‘simplify’ in the House with respect to the effects of the GST was on 28 June last year, and even then he was talking about the Australian business numbers and their effect on taxation arrangements for business. We are pleased that the Treasurer has developed at least some sense of embarrassment and has stopped referring to the GST as simplifying taxation in Australia.

The Labor Party will not be opposing this bill. Whilst we have consistently opposed the introduction of the GST, it has become law. When it fails, we have no intention of allowing the government, in its desperate search for scapegoats, to come looking for us. As far as this government is concerned, it is wish granted: you have got your legislation; now let us see how it goes in practice.

Does the bill have any redeeming features? Its essential characteristics are that corporations and those who engage in conduct which, in the words of bill, falsely represents, whether expressly or impliedly, the effect or likely effect of the new tax system changes or misleads or deceives concerning the effect or likely effect of all or any of the new tax changes, are liable to prosecution. There are already provisions within the trade practices legislation for misleading and deceptive con-
duct generally and for misrepresentation generally. So when the government come in with a specific bill and say, ‘We are going to attack anything in the nature of representations concerning the GST that we believe are false,’ this starts to sound suspiciously like Basil Fawlty in \textit{Fawlty Towers}: ‘Don’t mention the war.’ They are telling retailers, ‘You can talk about anything in relation to price rises, but do not mention the GST.’

This reeks of political censorship. That is reinforced by government speakers earlier in this debate making thinly veiled threats to prosecute the Labor Party for statements made concerning the GST. We have absolutely no intention of being intimidated concerning this matter. All you retailers out there, when your prices go up, whatever you do do not mention the GST or you might be committing a criminal offence. Even worse than that, if someone comes into your shop and looks at the price rises and says, ‘Oh, that dreadful GST,’ if you do not talk to them about wholesale sales tax changes or tax cuts or something of that nature you might be committing a criminal offence as well.

I might ask the House whether this legislation might affect, for example, the AFL supporter packages. If you go to the AFL’s official web site, you find that, if you are an AFL supporter and want to go to Sydney or to Adelaide for a game, you can purchase one of these AFL supporter packages. But the web site says:

\textit{... for all games after the 1st July 2000 a 10\% GST will apply to all prices.}

When one of my staffers—a Hawthorn supporter, but I suppose we can forgive him for that—rang the AFL concerning these supporter packages, he was told that, for example, the cost for the Sunday, 4 June game between Hawthorn and Sydney at the SCG, including Ansett air fares, accommodation at the Sydney Intercontinental and a reserved seat, is $377.40 per person. But, if you go after 1 July, for example, on Saturday, 22 July to the Kangaroo-Sydney game at the SCG, once again including Sydney air fares, Sydney Intercontinental accommodation and a reserved seat, the cost will be $415.14 per person—that is to say, the pre 1 July cost plus the full 10 per cent GST. That is the sort of thing that is going on.

This thinly disguised bid to silence retailers is yet another bill in a series which underscores just how badly this government is botching the implementation of the GST. I want to give the House a few examples of this. The Australian Retailers Association recently held a seminar in my electorate to assist small businesses with the implementation of the GST. It was a well-attended seminar—not surprising in view of the questions that small business has concerning the GST. A few of the facts from the presenter were as follows. If you do not have electronic point of sale equipment, it will take you 10 hours a week to account for the GST but, if you do, it will take only an hour per month. If you do not get the point of sale equipment and do the business activity statements yourself, your accountancy payments would go from the once a year payment of $2,000 to four quarterly payments of $1,500 each—so $6,000 over the course of the year. If you did not remit on time, the government is likely to send in an administrator to get your books in order, and the cost of technology set-up for the GST would be between $3,000 and $8,000 for retailers. It was said that 20,000 New Zealand small businesses went out of business because they did not get the GST right and that in New Zealand over 80 per cent of businesses had electronic point of sale equipment within 10 years of the GST being introduced, whereas currently in Australia only 40 per cent of Australian businesses have electronic point of sale equipment.

The presenter told his audience that you are not allowed to increase prices by 10 per cent—you might need to tell the AFL that. To avoid attention, he suggested eight or nine per cent would be the maximum. He suggested that the time to increase prices for reasons other than the GST was not on the tax system changeover but before or after the changeover to minimise the change in price. So the main message from the man at the front of the hall was: ‘Get that electronic point of sale equipment or you have had it,’ and in everybody’s pack was advertising for the MYOB GST software, and as well there was a live demonstration of that software at
the back of the hall. Through all of this, the theme is: you need a new computer to do the GST properly. If you do not have it, your business is up the creek without a mouse.

On that same theme, I have had correspondence from Shane Murphy—not the senator—from Grange in Queensland. Mr Murphy runs a small convenience store. He recently got a letter from a supplier of this point of sale software, Retech Global. Mr Murphy has explained that he is one of this company’s 500 customers who use a DOS based point of sale software. He was incensed at what he saw as blatant exploitation of the GST by this company which, instead of offering him support for his current system, told him that he must spend between $5,990 and $7,990 to get their GST compliant software and hardware. He already has a computer system, but he is being told that he has to spend thousands of dollars on a new one. The company are effectively stopping support for his old system and forcing him to buy the software and hardware from them. Mr Murphy noted that he called them and asked for just the software and was told that DOS users must get both the software and the hardware, or there is no deal. The point he makes in his correspondence to me is:

We are not even trading profitably at present. We have no hope of absorbing $7,990.

You have to contrast that kind of expense with the miserable $200 which the government is giving small businesses as its GST compensation. In the limited time available to me in this debate, I will make one final point. The government has indicated that the amendments relating to access undertakings are simply intended to clarify the constitutional basis for the powers. At face value, that appears to be the case. However, Labor is concerned that there is a chance, however slight, that some access undertaking that would fall within the constitutional heads of power may not fall within the proposed section 44ZZA(3A) codifying those heads of power. We have requested that the minister put on the parliamentary record that the government does not intend to narrow the scope of acceptable undertakings within constitutional bounds, and I look forward to the minister delivering such an undertaking in this debate.

As I indicated before, we have no intention of allowing the government to claim that it has not been able to properly implement its GST and its price surveillance mechanisms. We are concerned that this bill is much more about censorship, in particular of anybody, concerning the GST, inviting them not to talk about the GST and under no circumstances to mention the war if prices go up—and, indeed, it appears that many prices will go up by much more than the government’s predicted 2½ per cent. We will be examining this legislation in the Senate very closely indeed.

Mr MARTIN FERGUSON (Batman)
(12.29 p.m.)—In rising to speak on the A New Tax System (Trade Practices Amendment) Bill 2000, I must say that I very much agree with the sentiments just expressed in conclusion by the member for Wills. This bill is about censorship. All I can say about the coalition is that, when they are not sitting in dark rooms watching blue movies, they are out in the Australian community trying to stop little people and small and medium sized businesses talking about the impact of the GST on their businesses, their local communities and their consumers.

It is in that context that the bill proposes to insert a new provision into the Trade Practices Act that will prohibit conduct in connection with the supply of goods and services that falsely represents, misleads or deceives a person about the effect of the new tax system changes. They are important sentiments, but it is what is behind that statement which really goes to why the Howard government has put the muzzle on the Australian community to stop it really explaining to ordinary people how the GST will impact on them and reduce their standard of living. This prohibition comes with heavy penalties attached—up to $10 million for a body corporate and up to $500,000 for a person other than a body corporate.

I will start with the biggest deception of all: the proposition by the Howard government that this tax package is simple. It is far from simple. Let us go to the issue of simplicity. I venture to suggest to the House to-
day that nobody believes that this tax package is simple. It is a complex web, as we all know because of the numerous approaches we are getting from our constituents day in and day out. While this bill claims to clamp down on unscrupulous business pricing practices, the truth of the matter is that businesses are struggling to understand the new system. In a lot of areas, they are saying it is all too hard, they are throwing up their hands and they are basically trying to engage in a fire sale to get out from under their businesses and, in doing so, walk away from the complexities of the GST. Small businesses are screaming.

We even had the government during the holiday period in January this year, when confronted by the media day in and day out, not even able to explain the complexities of the GST in its application to such simple things as a bottle of coke. Yet they expect ordinary people who are struggling day in and day out, seven days a week, 24 hours a day, just to keep their businesses afloat to now have the responsibility of putting in place this complex web, the GST.

While this bill aims to protect consumers, consumers themselves have no idea of what is going on. We even have a complete endeavour by the government to make sure that they are not properly informed by retailers in the lead-up to the implementation of the GST. We have seen examples of that from questions to the government by, for example, the shadow Treasurer on a number of occasions over the last couple of parliamentary weeks. The whole thing is so complex that consumers have been disempowered and there is no chance that they will be able to protect themselves from 1 July onwards.

While the bill also aims to prevent exploitation, it leaves people without the information to even know if they are being deceived or, for that matter, if they are doing the deceiving. It is all too complex. It is no wonder that people are feeling a bit insecure about the effects of this new tax, as you and I know, Madam Deputy Speaker Kelly, because of approaches to our local electorate offices.

Contrary to the wishes of the government, people are truly angry about the GST. Businesses are angry about the confusion. Consumers are angry about the uncertainty. Even the government's own backbenchers are angry about how the government could push ahead with such a mess of a system. I suppose in a lot of ways they are angry because of the danger it is bringing forward with respect to their own electoral prospects.

The biggest cost of the GST being felt right now is in the higher interest rates that Australian businesses and households are being hit with. We had a further example of that only yesterday. I would like any member of the government to answer a few questions for me about the relationship between the GST and inflation. I would like them to tell me which of the following statements is correct: firstly, inflationary expectations are much higher than Treasury claimed they would be and a significant part of this is due to the GST; and, secondly, inflationary expectations feed into both actual inflation and decisions on interest rates, and the higher the inflationary expectations, the higher will be the actual inflation and the higher will be the interest rates. Fact or fiction?

I would like the Treasurer, and the Governor of the Reserve Bank for that matter, to explain where the flaw is in this very simple argument. While the Treasurer and the Governor of the Reserve Bank are at it, I would like them to explain whether they believe that fiscal policy affects monetary policy. I have not heard the Reserve Bank say that fiscal policy does not impact on monetary policy, so I would like to know if the bank holds that view. I think it is a fairly fundamental question.

We are facing a situation where our economy is approaching capacity, where there are skill shortages emerging all over the nation in a range of fields. At such a time, how can a fiscal loosening be considered good economic management? How can a fiscal expansion not fuel the fire of inflation in these circumstances? How can a responsible Reserve Bank and Reserve Bank governor ignore this in their public comments? I appreciate the need for the Reserve Bank to remain politically independent, but that does not mean saying nothing on a position that has fundamental implications for the sound economic management of this nation.
Australians, as we all know, are feeling the hit of the GST right now through inflationary expectations, through inflation and, most of all, through interest rates. With record levels of household debt and high household debt in regional Australia, we cannot simply ignore the pain that recent interest rate hikes are inflicting on people.

We also have difficulties on that front when we go to the issue of skill shortages. As we all know, we are facing a skill shortage problem. The demands, for example, placed on accountants as a result of the incredibly complex tax changes are certainly being felt in regional Australia. There is a major shortage, and it is compounding the difficult problem people are experiencing with their pricing and accounting practices. They are no longer interested in doing your PAYE tax return; the GST is a walter in accounting firms at the moment and small businesses are squealing about the cost of implementing this new GST package. Of course, if the government were concerned about this shortage of professional advice, they would have had a strategy in place to deal with it, but we know all too well that they do not believe in any formal workplace planning.

Let us go to the issue of rural and regional Australia. Madam Deputy Speaker Kelly, last year’s State of the regions report, which I assume you have read because you do represent regional Australia, makes it clear that many of our struggling regions are particularly vulnerable to interest rate hikes due to their higher level of debt. These people and their communities are the ones who are really feeling the pinch of interest rate rises. They are squealing yet again as of yesterday. They are being hammered by the GST right now and it is not even in full swing. So the truth is that people in regional Australia have had a gutful of the Howard government simply saying, ‘Swallow this pill. It is in the nation’s interests.’ What the Howard government mean when they say that something is in the nation’s interests is that it is in the Liberal Party’s and the coalition government’s interests.

The truth is that we have a government led by the elite—people like the Treasurer and the Prime Minister representing the elite of Sydney and Melbourne with no regard or care about the interests of regional Australia. Their view is on the public record over many years. It is, in essence: ‘Don’t worry about regional decline, concentrate on the fundamentals, concentrate on the big picture. The bigger the process of regional decline the better.’ When they are asked to justify themselves they simply say: ‘Don’t worry. The benefits will eventually trickle down or they won’t trickle down.’

People in regional and rural Australia have not forgotten the approach of the Howard government and nor will they. It is only in recent months that they have even started to talk about it because of electoral prospects which they see in decline. We have a Deputy Prime Minister and a Prime Minister who do whistlestop tours, wearing strange types of hats, trying to create the impression that they actually care about regional Australia. I am pleased to say from my feedback from regional Australia that the people of regional Australia do not trust them any longer. They do not accept the trickle down theory and they do not accept that the GST is going to be in their best interests.

In conclusion, this government has never believed in people, and this legislation offers a good opportunity to make that case once again. This is a tax that is hitting Australians now and, through its fiscal vandalism, undermines the potential of all Australians to share in new investments in our nation. The bill is complex. It is not understood and that was reinforced by that, I suppose, sorry story we watched in January this year when the member for North Sydney, the minister sitting at the table today—Mr Hockey—Give us a break, will you?

Mr Martin Ferguson—could not even explain what he regarded as a simple issue—the application of the GST to a bottle of coca-cola. I know he likes drinking it. I hope he can now answer that question for ordinary Australians.

Mr McClelland (Barton) (12.39 p.m.)—I do not wish to verbal the member on whether he likes anything in his coke.

Mr Martin Ferguson—It would only be a straw, wouldn’t it?
Mr McCLELLAND—Perhaps only a straw. This bill is complex—indeed, the whole goods and services legislation is very complex. But why is the A New Tax System (Trade Practices Amendment) Bill 2000 necessary in the context of the fact that the ACCC already has strong powers of enforcing fair trading provisions and so similarly do the states. When you go through the provisions you find that the likely reason for this bill is the fact that the government intends to crank up the pressure to effectively gag a discussion of when a price is affected by the GST. And that—all jokes aside in respect of the analysis of the bottle of coke—is a complex question. Do you take off existing taxes from the wholesale price or do you take them off the retail price? All these things are complicated.

I want to point out to members the very severe operation of these provisions and, having regard to that severe operation, consider whether the purpose is more likely to be one of a gagging exercise rather than proper enforcement.

Section 75AYA, the new penalty provision, is expressed very broadly. It picks up conduct in connection with the supply of goods or services—that is a broad expression ‘in connection with’. It talks about the ‘promotion by any means’ of the supply of goods or services’. Obviously that would apply to advertising or marketing campaigns of wide varieties. It also talks about engaging in conduct which ‘falsely represents (whether expressly or impliedly)—again that is expressed very broadly—or ‘misleads or deceives, or is likely to mislead or deceive’. They are all very broad powers indeed, and the range of corporations likely to be caught up in that must include, I would think, the media organisations. What are their obligations? Are they engaged in connection with the promotion of the supply of goods or services? I think it must be said through their advertising that they are. What are their obligations? Do they have an obligation to vet these ads put to them by their clients, by their advertisers? If I were an advertising manager I would want in my contract of employment a guarantee that the employer would cover me in respect of a potential $500,000 penalty. Indeed, if I were a media company I would want an indemnity from my advertising client that they would cover any potential penalty up to $10 million.

It is important to note that these penalties, this section 75AYA, will be enforced through the mechanism of section 76 of the act, which says that these pecuniary penalty provisions will apply ‘if the court is satisfied that a person ... has been in any way, directly or indirectly, knowingly concerned in, or a party to, the contravention by a person of such a provision’. Again, that indicates the extremely wide area that this penalty is going to operate in. Then if you look at section 76(1A), you will see that the penalty itself applies in respect of each and every incident. So each and every time an advertisement is published arguably a penalty would come into the equation.

What are the defence provisions? The trader or the communicator or the promoter of the advertisement or the information—again, I would suggest they would be more likely to be media outlets, whether it is TV, radio or newspaper—must establish that what they did was due to a reasonable mistake or was due to a reasonable reliance on information or was due to the act or the fault of another person. The trouble is that that other person, where it is referred to, does not include a servant or agent of the trader or the enterprise or, if it is the case of a corporation, a director, servant or agent. That is going to necessarily mean that businesses right throughout Australia are going to have to implement another tier of administration. They are going to have to implement a system within their organisation. The minister shakes his head. But if a counter staff person in David Jones gives the wrong information to a customer, they are a servant or agent of David Jones.

Mr Hockey—What is wrong with that? They have to tell the truth.

Mr McCLELLAND—You are saying that the obligation is on them, and I am saying that David Jones as an employer is going to have to instruct all its staff in detail about the operation of this legislation. That establishes my argument that employers are going to have to implement very detailed training
mechanisms; otherwise they themselves are going to fall foul of the legislation and be liable to penalties of up to $10 million.

In the brief time I have left, I want to focus on the fact that this regime itself could very easily be set asunder, at least in respect of the application of the state price exploitation regimes. I note that there is a corresponding amendment to part II of the schedule which applies, and that schedule effectively is a template which is picked up by state legislatures to apply these principles in the state area. That would include, for instance, sole traders and partnerships that are not corporations or involved in interstate trade and commerce or international trade and commerce, or the like. This is a very important area applying most likely in the small business area in the state arena. These codes throughout all the states are predicated on the ACCC having the primary role as the administrator and enforcer—the ACCC being a creature of the federal legislature.

In respect of the operation of those codes, there is building up on the horizon at this very moment a tidal wave the size of the eruption of Krakatoa, and that is the High Court’s deliberations in the matter of Hughes v. the Queen. That matter has been heard by the High Court and judgment has been reserved. That case is about challenging a prosecution by the Commonwealth Director of Public Prosecutions under Western Australia’s Corporations Law, and the challenge is whether the DPP, being a creature of federal statute, has that power to enforce the state legislation. From indications in the course of the case, it may well be the finding that the Commonwealth DPP does not have that power. As I said, that Hughes case is a tidal wave building up on the horizon.

Indeed, there have been comments made in the course of the case referring, for instance, to the executive power of the Commonwealth set out in section 61 of the Constitution, which essentially refers to the executive power being in respect of Commonwealth matters. The case is considering also the incidental power, but there is a real question mark as to whether that incidental power can be extended entirely within the state realm as opposed to, for example, the Duncan case where the incidental power was applied to validly uphold the establishment of the Coal Industry Tribunal, which was a creature of both state and federal legislation. In the case of the ACCC’s role under these price exploitation codes, it will not be functioning as such a joint federal-state creature. It will effectively be taking off a federal hat and putting on a state hat—that is, a hat created by state legislation. The outcome in the Hughes case may well be that that is invalid. Hence, these price exploitation codes may be washed away, at least at the state level. In that context, we will stress to the minister the importance of that and ask him whether he has obtained advice as to the potential consequences of Hughes. If he has, he should table that advice because, if he does not, the government itself is misleading the Australian people as to the efficacy, or lack thereof, of this system.

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (12.50 p.m.)—Can I take the opportunity to thank all of the people who have been involved in the debate on the A New Tax System (Trade Practices Amendment) Bill 2000. That is, I would like to thank some of the members in the debate—some made a contribution that was well researched and well informed; others made a contribution that was ill-informed. Whoever is providing the Deputy Leader of the Opposition with his information is guilty themselves of misleading and deceptive conduct and may leave the Deputy Leader of the Opposition exposed to potential fines should he continue to embark on a course that is misleading and deceptive, particularly in relation to the implementation of a GST.

The fundamental point in all of this is that if you are fair dinkum and if you are telling the truth in relation to the introduction of the GST then you have nothing to worry about. The opposition rather ineffectively continues to chide me about remarks I made in relation to the GST in January. I completely stand by those remarks. The issue of rounding is entirely consistent with the guidelines that have been released by the ACCC in relation to the price rule contained in the guidelines. It is entirely correct that no price shall rise by
more than 10 per cent as a result of the GST, and that is reflected in the guidelines.

As far as engaging in price speculation is concerned, the only lesson I have learned from January is that as a minister and as an individual I should not engage in price speculation. But it is quite correct to say that, if I were to do it again, a bottle of coke should come down in price. It is no use throwing some industry-wide modelling at me saying, ‘This will apply to a specific individual bottle of coke,’ because you are comparing apples with oranges. The bottom line is that a bottle of coke should come down in price. I am being entirely consistent; I just wish the opposition would be entirely consistent. They are running a campaign right across Australia. If you believe the Leader of the Opposition, the GST has some impact right around the world. According to the Leader of the Opposition, the Australian GST is having an impact on interest rates in the United States. I can see you laughing, Mr Deputy Speaker, at the Leader of the Opposition. You are in good company with most of the rest of Australia.

Mr DEPUTY SPEAKER (Hon. D.G.H. Adams)—Order!

Mr HOCKEY—If you believe the Leader of the Opposition, the GST has a very wide impact. People such as Greenspan obviously take great note of what the Leader of the Opposition says and take it into account when determining interest rate rises in the United States.

However, what we are about with this legislation is putting consumers first. That is all we are doing: putting Australian consumers first. In the words of the defender of crooked small businesses, the member for Hunter, this is ‘very tough’. He says the most extraordinary thing about this bill is how far the government has been prepared to go. He is damn right. We are going very hard in this bill to protect consumers from misleading and deceptive conduct—misleading and deceptive conduct about a taxation system that will be much simpler and readily understandable. It is only a shame that the shadow Treasurer, the Deputy Leader of the Opposition, does not understand his current taxation system. I am glad he is in the House for a fleeting moment because I will remind him of the words that I am sure will come back to haunt him, especially in the next election campaign. When he spoke with Stan Zemanek on 2GB on 20 January 2000, the member for Hotham said:

Hang on. And also the wholesale tax was a graded scale. There were 4 well there were 7 rates but essentially there was zero rate there was 10 and there was 22.

‘There were 10,’ he says. He forgot the extra two per cent that Labor jacked on in 1993 as part of the I-a-w tax cuts. He forgets the 32 per cent, the 37 per cent, the 41 per cent and the 45 per cent, but he understands his own system! This is what the Deputy Leader of the Opposition said to Stan Zemanek about the tax system that he is seeking to defend:

So basically the wholesale tax applied to the necessities of life. I’m sorry the wholesale sales tax was off the necessities of life, it didn’t apply to food, it didn’t apply to …

Stan said:

Well I’m sorry but it did, it applied to biscuits it applied to fruit juice, confectionery. All those things you’d classified that as food wouldn’t you?

Crean said:

Well yes, yes, you do and there were anomalies in the system. OK I agree with that. And there will be anomalies in any system where you allow exemptions.

I repeat: ‘And there will be anomalies in any system where you allow exemptions.’ This is the Labor Party. Those words will come back to haunt the Deputy Leader of the Opposition—’And there will be anomalies in any system where you allow exemptions.’

Mr Crean interjecting—

Mr HOCKEY—I am sorry, Mr Deputy Speaker, is there someone in the gallery making a comment? ‘And there will be anomalies in any system where you allow exemptions.’ So we have got roll-back, creating more exemptions, and the Deputy Leader of the Opposition says he is going to make the system more complicated. We have got the sauce fight here. Don’t worry, you just run with that.

The new legislation gives consumers better protection from businesses and individuals who misrepresent the impact of the new
tax system—we will get you under this bill. Last year the government inserted part VB into the Trade Practices Act to give the ACCC powers to monitor prices in order to stop consumer exploitation and excessive profit taking in the transition to the new tax system. The states have adopted their own version of part VB and that is set up under the national price exploitation code. So this bill extends the operation of the price exploitation code. The bill will prohibit conduct in the course of supplying goods and services that falsely represents the effect of the new tax system changes or misleads or deceives a person about the effect of those changes. Breaking this law will attract the same pecuniary penalties as price exploitation generally: a fine of up to $10 million for a company or up to half a million dollars for an individual. How ironic it is that we get criticised in the House about this bill. The Labor Party asked me a question in the House—‘What are you doing about those landlords?’—but claim that rent increases are associated with the GST. Here is the legislation. Support it. You can get on your horse and come and ride with us.

The Deputy Leader of the Opposition says, ‘Wait a second, Queensland doesn’t have to come.’ It is a carve out already; it is an exemption already. He talks about his mates in Queensland and the Labor Party in Queensland. I can see you are embarrassed, Simon. The Labor Party in Queensland says, ‘No, we’ll do it ourselves. We’re going to monitor three million prices in Queensland. We’re going to set up a price policing regime in Queensland. We’re going to introduce laws in Queensland that are going to deal with misleading and deceptive conduct in relation to the GST. We are going to do some modelling of price impacts in Queensland. We are going to have some legal powers in Queensland backed by the legal resources of the ACCC in Queensland.’ They have no ACCC in Queensland. They have a Department of Equity and Fair Trading. I am going to keep pursuing Judy Spence right down all the little rat holes that she wants to go down. I will pursue her for every event of misleading and deceptive conduct by individuals in Queensland in relation to the GST, and I will be asking her, as will all the consumers of Queensland, ‘What are you doing about pursuing those businesses engaging in misleading and deceptive conduct?’

I want to know what penalties the Queensland government—the Beattie Labor government—is putting in place to pursue people engaging in misleading and deceptive conduct. On the one hand, we have Marsha Thomson, the fair trading minister in Victoria, writing to the ACCC saying, ‘Please, ACCC, engage in all these other powers for us. Please, ACCC, will you do this for us? Will you do that for us? You have the resources.’ On the other hand, you have Judy Spence, the Labor fair trading minister in Queensland, saying, ‘We’re going to set up our own regime in Queensland. We don’t believe the ACCC has enough power and resources.’ On the one hand, Labor in Queensland is saying, ‘We’ll do it ourselves.’ On the other hand, Labor in Victoria is begging the ACCC to undertake more activity to service consumers. What does that say? That says hypocrisy. We are looking forward to all the powers, the millions of dollars of resources, that are going to be given to the Department of Equity and Fair Trading in Queensland. So far we have given the ACCC $28 million in relation to its powers in relation to the GST. We are waiting to see what the Queensland government is going to do. The second reading amendment put forward by the Labor Party in the ordinary course of business is meaningless.

Mr Crean—Meaningless?

Mr HOCKEY—It is the same old drivel. This is the second reading amendment. We will get to the other amendments in the course of dealing with the bill in detail. In relation to the second reading amendment, we have seen the drivel that comes out of the Labor Party in relation to economic policy. We heard the Leader of the Opposition talking about the impact of the GST on interest rates and how they are impacting on Alan Greenspan’s decision about interest rates in the United States, which is directly linked to the impact of the GST in the Australian market. That is the sort of economics that the Leader of the Opposition seems to enjoy. I rejoice at the Leader of the Opposition’s great
understanding of the impact of the GST on global interest rates.

Finally, in concluding this debate, I will say this: we want to get this bill through the parliament as quickly as possible. The sooner the bill goes through, the sooner we can have protections in place for consumers. The sooner we can get this through, the sooner we can put in place a regime that will pursue individuals who mislead or deceive about the impact of the GST on prices. The sooner we get this bill through, the sooner we can help with the proper referral of the powers. I hope the Deputy Leader of the Opposition is listening to this, because I got some advice to satisfy his queries in relation to the impact of Wakim. I am advised by my department that Wakim does not impact on the ACCC’s functions under this bill. It appears that the shadow Assistant Treasurer, who raised a particular part of this, is confusing the impact of Wakim and Hughes. In the Hughes case, the decision is yet to be handed down by the High Court and is expected later in the year.

Mr Crean—No, I understand the distinction you are making. We are not confusing them.

Mr HOCKEY—Without getting into a debate across the table, I can say that I am advised—

Mr Crean—Tell us the advice.

Mr HOCKEY—I am happy to provide advice, but I can say that Wakim—

Mr Crean—In response to the questions I raised this morning.

Mr HOCKEY—We will have to sort out those issues.

Mr DEPUTY SPEAKER (Hon. D.G.H. Adams)—Order! This is a second reading debate. There may be an opportunity later to have a closer discussion.

Mr HOCKEY—I just want to confirm that Wakim was a decision in relation to the jurisdiction of courts and this bill does not deal with this issue. It does not deal with jurisdictional issues, and it does not deal with the interaction of the federal and state court jurisdiction. We are not in a position to speculate about the possible decision in Hughes, which I think is a perfectly reasonable point to take. However, we will not be accepting the second reading amendment, which is gratuitous. It is droll, because we have seen it on so many other occasions, particularly in the course of the debate about the whole impact of the GST. We commend the bill to the House.

Amendment negatived.

Original question resolved in the affirmative.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr CREAN (Hotham) (1.08 p.m.)—by leave—I inform the House that we intend to move six amendments to the A New Tax System (Trade Practices Amendment) Bill 2000, amendments Nos 3 and 6 together and amendments Nos 1, 2, 4 and 5 together.

I move:

(3) Schedule 1, page 3 (after line 24), add:

2B After Subsection 75AZ(4), insert:

(4A) The Minister must cause a copy of each report received under subsection (1) to be tabled in each House of the Parliament within 5 sitting days of that House after the day on which the Minister receives the report;

(4B) On presentation of a copy of each report in the House of Representatives under subsection (4A), the report shall stand referred to the House of Representatives Standing Committee on Economics, Finance and Public Administration; and

(4C) As soon as practicable after the report has been received by the House of Representatives Standing Committee on Economics, Finance and Public Administration under subsection (4B), the Chairperson as a representative of the Commission must appear before the Committee at a public hearing, in accordance with arrangements agreed to by the Committee, to give evidence in connection with the report.

(6) Schedule 1, page 6 (after line 22), add:

11 After Subsection 75AZ(4) of Part 3 of the Schedule insert:

(4A) The Minister must cause a copy of each report received under subsection (1) to be tabled in each House of the Parliament within 5 sitting days of that House after the day on which the Minister receives the report;

(4B) On presentation of a copy of each report in the House of Representatives under subsection
(4A), the report shall stand referred to the House of Representatives Standing Committee on Economics, Finance and Public Administration; and

(4C) As soon as practicable after the report has been received by the House of Representatives Standing Committee on Economics, Finance and Public Administration under subsection (4B), the Chairperson as a representative of the Commission must appear before the Committee at a public hearing, in accordance with arrangements agreed to by the Committee, to give evidence in connection with the report.

The amendments deal with two issues. In the time that I have, I should outline them. The first amendments are (3) and (6). They require the ACCC’s quarterly report on price exploitation to be tabled in parliament. Further, they require the ACCC, including its chairperson, Professor Fels—who seems to jump up every time there is a TV camera around but cannot find his way into the parliament—to appear quarterly before the House of Representatives Standing Committee on Economics, Finance and Public Administration to report on progress. The second issue, comprising amendments (1), (2), (4) and (5), will require business to disclose the GST on receipts.

I want to go first to (3) and (6). As I said during the second reading debate on this bill, the government is proposing a new penalty for misleading and deceptive conduct far higher than anything previously applicable to such conduct. I would also like to take the opportunity to briefly clarify some remarks I made in the second reading debate and to note that Queensland has enacted the original price exploitation code but has indicated its refusal to adopt the government’s proposed amendments to its mirroring code.

On the question of the nature of this legislation, we need to understand our concerns, which I raised in the second reading debate, that this legislation could be used to silence the critics of the government’s GST. We know that there are plenty of those, but it seems inappropriate to use the argument about penalties to stop exploitation also being used as an effective mechanism to clamp up on the critics. We are proposing to let the bill through and will not oppose it here. However, we will be questioning, through the Senate processes, the intent of the bill in that regard, and we will be making a judgment on our position depending on where that inquiry goes.

The second amendment goes to the importance of ensuring that there is not exploitation. The truth of the matter, Mr Deputy Speaker, as you know, is that the only time the ACCC seems to act with haste, despite the fact that it has penalty powers already, is when we raise issues in this parliament: when we show that pyjamas are going to have attached to them the full 10 per cent; when we find out that the government’s own agency, Australia Post, is putting up its price the full 10 per cent; and when we find out that the House of Representatives intends to charge the full 10 per cent on seminars run through the place. Those are three examples that we raised in the course of one day. This was something the government said could not happen and it did. It happened in terms of one of the larger retailers in our country. It happened in respect of one of the government’s own agencies. If the government, having said that the price cannot go up by 10 per cent, cannot even control its own agencies, what hope does it expect to have in terms of the thousands of businesses around the country?

Then, of course, there is the constitutional validity argument, which I will be pleased to receive the minister’s indication on. We acknowledge that the importance of the Hughes case, yet undetermined, may impact on this, but we believe that if that threat is there it will seriously challenge the capacity of the ACCC to deal with the round-up issue—something that the minister became painfully all too familiar with over the Christmas break. It is against that background that we want the ACCC reporting on its activities on a three-monthly basis, and we want the chairman of that body to come before this House and answer our questions, not just do the government’s bidding.

Mr McCLELLAND (Barton)  (1.13 p.m.)—I rise with the minister’s concurrence in support of the amendments about the quarterly reporting of the ACCC and also the attendance of Professor Fels. There are important issues to determine. The first point, which Professor Fels would be able to ex-
plain, is the impact of Wakim. While the minister says, in good faith, I believe, that the advice from his department is that re Wakim does not impact on this area, his department should have a look at items 74 through to 83 of the Jurisdiction of Courts Legislation Amendment Bill 2000, which went through this House yesterday. Wakim decided that federal courts cannot exercise state jurisdiction. Those items of the bill took away those provisions accepting state referral of power under the price exploitation code, so those state matters must now be dealt with at a state level in the state courts. Professor Fels and his enforcers of this code will have to put on their running shoes, because they will have to run between the federal courts, the state courts—and, of course, Professor Fels has one or two media appearances regularly on the side that he needs to skip along to. But it is going to be a real dog’s breakfast, as the shadow Treasurer said, because of this multi-jurisdictional issue. There is no longer one enforceable code as a result of re Wakim. The minister again candidly said, ‘Well, the Hughes case could have an impact.’

I note that yesterday the Attorney-General said that his department was examining potential repercussions of the Hughes case and it would be advisable for the minister’s department to urgently confer with the Attorney-General because there is a real and substantial prospect of this arrangement being overturned—that is, the ability of the ACCC to administer and enforce state legislation. The shadow Treasurer has referred to the advice of Graham Hill, who is a legal officer in the Attorney-General’s Department, and in particular to his advice that the incidental power in these cases suggests that the Commonwealth may be able to permit a Commonwealth body to perform state administrative functions ‘only if the exercise of those state functions enables the body more effectively to exercise its Commonwealth functions’. In this case, the ACCC will not be exercising any Commonwealth functions; it will be exercising entirely state functions in its enforcement of the price exploitation codes in the state jurisdictions. There is a real prospect. Indeed, if there be any doubt whatsoever, one need only look at page 86 of the transcript in the Hughes case—

Government members interjecting—

Mr McCLELLAND—No, in the Hughes case. One need only look at page 86 of the transcript, not the judgment, on 1 March this year, where Justice McHugh said:

The Commonwealth executive power is not so extreme that it can be used to interfere with the traditional understanding of the distribution of Commonwealth and state functions and powers.

There were similar comments throughout that case to that effect. I said in my earlier contribution that there is a wave the size of Krakatoa on the horizon, that it is going to hit this land and hit it hard and that it will demolish at least the state aspects of the price exploitation code. What I would like the minister to contemplate, and I would ask him to concede, which no doubt he will not, is the reality that when that tidal wave hits—all states will have to do precisely what Queensland is doing and establish their own regimes because it will not be possible to use the ACCC to administer and enforce those regimes. There is a real risk that the enforcement regimes of the states will be dissipated and dismantled because of the assumption that the ACCC will be able to continue in this role.

I suspect it will be the case—and it would be regrettable—that that will all be put asunder when the Hughes tidal wave hits. All the states will have to do what Queensland is doing. With the greatest of respect to the minister, he will have to stand up here and wipe egg from his face when he introduces legislation to facilitate that occurring. It is not a trivial issue and the minister should urgently be getting advice regarding the consequences of Hughes and tabling it. (Time expired)

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (1.18 p.m.)—To clarify the position for the Deputy Leader of the Opposition, I understood we were going to vote on amendments (3) and (6) first and then going on to the others. Obviously the government will not accept these amendments. We will not accept them because—this will come as no surprise to the Deputy Leader of the Opposition—we already have excellent transparency and accountability processes in place in relation to the GST. In the level of reporting, we already
have quarterly reports. The first one—which I released not too long ago—I talked about in this House and I never received a question from the Australian Labor Party about that report. Do you know why, Mr Deputy Speaker? Because that report indicated that the first round of wholesale sales tax cuts had delivered to consumers better than expected cuts in the prices of electrical goods and other goods previously taxed at 32 per cent. The original estimation was that the flow-through benefit to consumers would be between five and seven per cent. In fact, competition delivered price cuts to those goods of about 7.3 per cent, higher than the model even projected. We have had this scare campaign run by the Labor Party that consumers will be ripped off and when the first test result comes in we find that consumers are far better off than anyone estimated. Isn’t that good news? The facts are there and that is part of the process.

The Australian Labor Party might try to tie up the very valuable time of Professor Fels by having him appear before 100 different committees of the House of Representatives, the Senate and the rolling estimates committees, but I take this opportunity to publicly praise Professor Fels for the outstanding job he is doing in this difficult matter. The general efforts of the ACCC are nothing short of outstanding when it comes to dealing with a raft of very complicated issues right across the spectrum. I do not agree with everything that the ACCC does, but I certainly respect its independence and its capacity to deal with complicated issues. Professor Fels does an outstanding job when he is thrown the ball on issues like this. The Labor Party ties up the time of the Chairman of the ACCC in appearing before the Hawker committee, a committee I was a member of when Professor Fels previously appeared before the committee. He does appear before parliamentary committees. Nothing will change. The opposition, in the fullness of time, will always have the opportunity to ask Professor Fels and the ACCC questions. It regularly asks the ACCC questions on a range of issues. It is only a couple of months ago the ACCC appeared before the Senate estimates committee just a couple of months ago. So the opposition just wants to keep rolling the process through, tying up the valuable resources of the ACCC, so that it can run its old Star Chamber, enjoying the privilege and immunity of the parliament, to ask questions I am sure Professor Fels in the ordinary course of business would be able to answer. We will be rejecting these amendments.

Question put:

That the amendments (Mr Crean’s) be agreed to.

The House divided. [1.27 p.m.]

(Mr Deputy Speaker—Hon. D.G.H. Adams)

Ayes.............. 61

Noes.............. 73

Majority......... 12

AYES

Albanese, A.N.
Bevis, A.R.
Crean, S.F.
Danby, M.
Ellis, A.L.
Evans, M.J.
Ferguson, M.J.
Gerick, J.F.
Gillard, J.E.
Hall, J.G.
Hoare, K.J.
Horne, R.
Jenkins, H.A.
Latham, M.W.
Lee, M.J.
Martin, S.P.
McFarlane, J.S.
McMullan, R.F.
Morris, A.A.
Murphy, J. P.
O’Keefe, N.P.
Price, L.R.S.
Ripoll, B.F.
Rudd, K.M.
Schiacci, C.A.
Sidebottom, P.S.
Snowdon, W.E.
Tanner, L.
Wilkie, K.
Zahra, C.J.

NOES

Abbott, A.J.
Andrews, K.J.
Bailey, F.E.
Barresi, P.A.

Andren, P.J.
Burke, A.E.
Cox, D.A.
Crosio, J.A.
Edwards, G.J.
Emerson, C.A.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Gibbons, S.W.
Griffin, A.P.
Hatton, M.J.
Hollis, C.
Irwin, J.
Kerr, D.J.C.
Lawrence, C.M.
Livermore, K.F.
McClelland, R.B.
McLeay, L.B.
Melham, D.
Mossfield, F.W.
O’Byrne, M.A.
Plibersek, T.
Quick, H.V.
Roxon, N.L.
Sawford, R.W.
Sercombe, R.C.G.
Smith, S.F.
Swan, W.M.
Thomson, K.J.
Wilton, G.S.

Anderson, J.D.
Anthony, L.J.
Baird, B.G.
Bartlett, K.J.
Billson, B.F. Bishop, B.K.  
Bishop, J.I. Brough, M.T.  
Cadman, A.G. Cameron, R.A.  
Causley, I.R. Charles, R.E.  
Costello, P.H. Downer, A.J.G.  
Draper, P. Elson, K.S.  
Entsch, W.G. Fahey, J.J.  
Fischer, T.A. Forrest, J.A.  
Gallus, C.A. Gambar, T.  
Gash, J. Georgiou, P.  
Haase, B.W. Hardgrave, G.D.  
Hockey, J.B. Hull, K.E.  
Jull, D.F. Kelly, A.J.  
Kelly, J.M. Lindsay, P.J.  
Lieberman, L.S. Macfarlane, I.E.  
Lloyd, J.E. May, M.A.  
McGauran, P.J. McArthur, S.  
Moylan, J. E. Nairn, G. R.  
Nehl, G. B. Nelson, B.J.  
Neville, P.C. O’Connor, G.M.  
Prosser, G.D. Pyne, C.  
Reith, P.K. Ronaldson, M.J.C.  
Schultz, A. Scott, B.C.  
Secker, P.D. Somlyay, A.M.  
Southcott, A.J. St Clair, S.R.  
Stone, S.N. Sullivan, K.J.M.  
Thompson, C.P. Thomson, A.P.  
Truss, W.E. Tuckey, C.W.  
Vailie, M.A.J. Vale, D.S.  
Wakelin, B.H. Washer, M.J.  
Williams, D.R. Wooldridge, M.R.L.  
Worth, P.M.  

PAIRS  
Beazley, K.C. Howard, J.W.  
Theophanous, A.C. Kemp, D.A.  
O’Connor, G.M. Hawker, D.P.M.  
* denotes teller  

Question so resolved in the negative.  

Mr CREAN (Hotham) (1.33 p.m.)—by leave— I move opposition amendments (1), (2), (4) and (5):  
(1) Schedule 1, page 3 (after line 7), insert:  
1A Section 75AT, insert:  
taxable supply has the same meaning as in A New Tax System (Goods and Services Tax) Act 1999.  
(2) Schedule 1, page 3 (after line 7), add:  
1B After Subsection 75AU(2) add:  
(3) To assist in minimising price exploitation, when a corporation provides a consumer with a receipt or docket issued in respect of a taxable supply the receipt or docket must separately include:  
(a) the price of the goods or services excluding the GST;  
(b) the amount of the GST; and  
(c) the total price including the GST.  
(4) Schedule 1, page 6 (after line 5), insert:  
8A Section 75AT of Part 2 of the Schedule, insert:  
taxable supply has the same meaning as in A New Tax System (Goods and Services Tax) Act 1999.  
(5) Schedule 1, page 6 (after line 5), add:  
8B After subsection 75AU(2) of Part 2 of the Schedule add:  
(3) To assist in minimising price exploitation, when a corporation provides a consumer with a receipt or docket issued in respect of a taxable supply the receipt or docket must separately include:  
(a) the price of the goods or services excluding the GST;  
(b) the amount of the GST; and  
(c) the total price including the GST.  
These are the amendments that the people on the other side of the House should be supporting because these are the amendments that require disclosure of this GST on people’s receipts. If they are prepared to vote for this tax, why are they prepared to keep it hidden? Why will they not insist on the receipts being disclosed and showing the amount of GST in question?  
This government has made great play of the fact that it wants to impose a huge new penalty on businesses for misleading conduct in relation to the GST. The hypocrisy is borne out when they resist every attempt to help in identifying that exploitation by giving ordinary consumers the ability to know what they are being charged. People regularly go into our shops and supermarkets knowing what they pay on items. What they do not know is what amount of GST will be hidden in these items when the new tax comes in on 1 July. These retailers should be required to put that amount of tax on so that consumers can make the judgment as to whether they are being ripped off or not and so that consumers can actually notify the ACCC if they think they are being exploited.  
I will give the minister one very good example as to why this works. It goes to the question of the Zurich Insurance Company, a company which the ACCC eventually ordered to pay back a significant sum of money
to policy holders. The reason the Zurich Insurance Company case emerged is because we had been raising the issue in the parliament about the way in which insurance companies generally could charge in advance of the GST coming in when they were issuing the notices for the next 12 months. We were arguing, generally speaking, that insurance companies were charging in advance of when they should have. We were told by the government that that was not true.

The reason the Zurich Insurance Company faced a penalty is that it put the GST amount on the notice that it issued. It did not have to but it did it. We are saying that the government should insist that all companies responsible for charging the GST—and that is just about everyone—should put the amount of the GST on their receipts.

It is ridiculous to assert that the ACCC be given power, it is ridiculous to assert that it will be the body, the watchdog, overlooking to see that there is no exploitation of this GST, if it is not prepared to insist on information, the detail of the tax, being made available to consumers. What sort of Competition and Consumer Commission is it and what sort of a government is it that backs it when they are denying consumers the very mechanism by which they can determine whether or not they are being ripped off with the GST?

This is not the first time we have moved this amendment in this parliament. We believe it is an issue fundamental to the transparency of the government’s new tax. We have said that if this tax is brought in, at least have the decency to put it on receipts. Every time we have moved this amendment in this chamber—and that has been on some four or five occasions now—this government have voted it down. So proud are they of this new tax, they want to hide it. So proud are those members in marginal seats in the government and confident that they can get this tax through their electorates, they want to keep it hidden from their constituents.

We will be campaigning against government incumbents and asking the simple question of consumers as they go into supermarkets: ‘Why is this government hiding this tax on receipts as you purchase goods? If Peter Costello has his hand in your pocket taking 10 per cent out every time you make a purchase, why isn’t it being identified on the receipts? What have they got to hide?’

It is not a simple proposition of saying that this applies to everything and everyone knows the amount because it is one-eleventh of the total purchase. It is not true. You have introduced so many exemptions, concessions and alterations to the tax that you cannot clearly state what the GST amount is. That is why it has to be disclosed. That is what this amendment does. That is what this government has to be held accountable for and that is why this amendment should be supported on this occasion.

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (1.38 p.m.)—Let us have a good look at what the Labor Party is proposing. What it wants to have on each individual product is one price excluding the GST, one price displaying the amount of the GST and one price for the total amount of the goods. So on each individual product the Labor Party wants to display three prices.

Mr Crean—On a point of order, Mr Deputy Speaker: it does not help the debate if the minister misrepresents the purpose of my amendment. We are not saying it has to go on each individual item. We are saying it has to be displayed in total at the end of the receipt, exactly what Coles Myer is doing. And if Coles Myer can do it why can’t it be done on every other receipt?

Mr DEPUTY SPEAKER (Hon. D.G.H. Adams)—Order! That is hardly a point of order.

Mr HOCKEY—I will tell you why, Mr Deputy Speaker: because every sale is not necessarily a taxable supply. A range of goods do not have GST components. So why is the Labor Party in this instance saying, ‘We want to have a price display of GST in relation to a taxable supply, but where there is no GST, such as on food or various health
products or on education and so on, we do not want the fact that there is no GST displayed. For crying out loud, the Labor Party had 13 years to put in place a disclosure regime for the wholesale sales tax. The Labor Party for 13 years never moved an amendment to disclose to consumers the range of taxes that it put on over the years. Now the Labor Party members come in, in their great hypocritical way, and say, ‘Let’s display taxes.’ That is hypocrisy. That is the difference between the Labor Party being in government and the Labor Party being in opposition. It is a group of unctuous, outrageous ratbags when it comes to trying to have one statement on disclosure in government and one in opposition.

If we dissect the amendment Labor has put forward, we see what it expects the consumer to be when it comes to the eight million different products that might be sold by Coles Myer or perhaps the 10,000 different products on the shelf of a chemist—your average small business. I note the shadow minister for small business is here. What would he say to chemists who are asked to display three prices on each good? What is he going to say to all the small businesses—the small hardware stores, and the newsagents that have for sale thousands of greeting cards with pre-printed prices on them—when they are asked to print three prices on goods? Of course, the opposition is only asking for the display of prices; it is not asking for the display of a percentage. So a consumer is expected to be a ready expert on the impact of a GST by looking at whether the GST component is convertible into a percentage after they have already seen the price displayed. The opposition is asking for a price display of the GST, and then the consumer is meant to sit down with their calculator and work out how that price is a percentage of the total account and whether that exceeds 10 per cent.

The third key factor in relation to this is that the opposition wants it to apply only to corporations. Why does it not want this display to apply to individuals? It is only moving this amendment to apply to corporations. So, if a small corner store is incorporated, that small corner store under the opposition’s amendment has to display three different prices, but if it is a small corner store run by a mum or a dad it does not have to display the GST component. This is the hypocrisy that the Labor Party has to live with on a day by day basis. It is trying to screw consumers. It is trying to run a complicated system. As we have heard from the Deputy Leader of the Opposition’s own mouth, the more contradictions you have the more complicated it becomes. We are waiting to see what the Labor Party’s roll-backs are all about. (Time expired)

Question put:
That the amendments (Mr Crean’s) be agreed to.

The House divided. [1.47 p.m.]
(Mr Deputy Speaker—Hon. D.G.H. Adams)

AYES

| Albanese, A.N. | Andren, P.J. |
| Bevis, A.R. | Burke, A.E. |
| Crean, S.F. | Cox, D.A. |
| Danby, M. | Ellis, A.L. |
| Emerson, C.A. | Evans, M.J. |
| Ferguson, L.D.T. | Ferguson, M.J. |
| Fitzgibbon, J.A. | Gerick, J.F. |
| Gibbons, S.W. | Gillard, J.E. |
| Griffin, A.P. | Hall, J.G. |
| Hatton, M.J. | Hoare, K.J. |
| Hollis, C. | Horne, R. |
| Irwin, J. | Jenkins, H.A. |
| Kerr, D.J.C. | Latham, M.W. |
| Lawrence, C.M. | Lee, M.J. |
| Livernore, K.F. | Martin, S.P. |
| McClelland, R.B. | McFarlane, J.S. |
| McLeay, L.B. | McLelland, R.B. |
| Melham, D. | Morris, A.A. |
| Mossfield, F.W. | Murphy, J. P. |
| O’Byrne, M.A. | O’Keefe, N.P. |
| Plibersek, T. | Price, L.R.S. |
| Quick, H.V. | Ripoll, B.F. |
| Roxon, N.L. | Rudd, K.M. |
| Sawford, R.W. * | Sciacca, C.A. |
| Sercombe, R.C.G * | Sidebottom, P.S. |
| Smith, S.F. | Snowdon, W.E. |
| Swain, W.M. | Tanner, L. |
| Thomson, K.J. | Wilkie, K. |
| Wilton, G.S. | Zahra, C.J. |

NOES

| Abbott, A.J. | Anderson, J.D. |
| Andrews, K.J. | Anthony, L.J. |
| Bailey, F.E. | Baird, B.G. |
Mr FITZGIBBON (Hunter) (1.52 p.m.)—
I move amendment No. 1:

(1) Schedule 2, page 7 (after line 24), at the end of the Schedule add:

4 After Section 51AC, add:

51AAC Concurrent operation of State and Territory Laws

It is the Parliament’s intention that a law of a State or Territory should be able to operate concurrently with this Part unless the law is directly inconsistent with this Part.

The A New Tax System (Trade Practices Amendment) Bill 2000 is very much about small business. Therefore, this is an appropriate time for me to move an amendment that goes some way towards assisting small firms rather than what the body of this bill does; that is, to make life harder for small firms. Those members of this House who followed the Reid inquiry and more recently the retail inquiry will know that retail tenancy leases are at the forefront of small business concerns. Of course, it does not rate as as great a concern as the GST itself. During the Reid inquiry we heard some horrific stories from retail tenants with respect to the way some landlords are prepared to act unconscionably towards their tenants. Both those inquiries called upon the federal government to facilitate a uniform retail tenancy code right across this country. Of course, not surprising, the government chose to ignore the unanimous and bipartisan recommendations of those committees. The New South Wales Minister for Small Business, Sandra Nori, did not take that unpreparedness lying down. Late in 1998 the New South Wales government passed amendments to its Retail Leases Act. Those amendments were designed to protect retail lease tenants, something the Howard government is not prepared to do. That amendment sought to draw down the provisions of section 51AC, an innovative part of the Trade Practices Act—a recent innovation which in itself flowed out of the Reid inquiry. Unfortunately for small business people in New South Wales and in other states in which governments might be prepared to act, that act has never been proclaimed. The reason for that is, quite rightly, that the New South Wales government is concerned that its amendments, if adopted and proclaimed, may offend section 109 of the constitution.

My amendment seeks to amend the Trade Practices Act in so far as it is necessary to put in place a savings provision that would remove the concern about any conflict or any offence to section 109 of the constitution.

My amendment seeks to amend the Trade Practices Act in so far as it is necessary to put in place a savings provision that would remove the concern about any conflict or any offence to section 109 of the constitution. The government should fall in and support this very appropriate amendment. Why should it not support it? We know the government supports my amendment. I know because I have with me a letter from the minister at the table, the Hon. Joe Hockey, to Sandra Nori, the Minister for Small Business in New South Wales. I will read the letter to the House. Mr Hockey says:

Thank you for your letter dated October 25, 1999.
I should point out this is not by any means Sandra Nori’s first approach to the federal government. The minister goes on to say:

Concerning the draw down of section 51AC of the Trade Practices Act into states’ retail leases legislation. I appreciate this particular amendment is important for the states and I realise that there are cogent reasons to bring forward this proposal as speedily as possible. Accordingly, I will be bringing the need for amendments to the Trade Practices Act to the intention of my ministerial colleagues in the near future and seeking approval for appropriate legislative amendments. I will ensure your office is advised once this has taken place. I look forward to achieving an outcome which will be welcome by everyone with an interest in this issue.

There it is. I seek leave of the House to table the letter from Minister Hockey to the New South Wales Minister for Small Business.

Leave not granted.

Mr FITZGIBBON—This is a common-sense amendment that will help small business in New South Wales. We know the government supports this amendment. We have the evidence in front of us by way of a letter from Minister Hockey himself. Today I call upon the government to do the right thing by small business for a change, in contrast to what it is doing in the main body of this report and in contrast to what it is doing with the GST, and support my amendment.

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (1.57 p.m.)—We see this as totally unrelated to the bill.

Question put:

That the amendment (Mr Fitzgibbon’s) be agreed to.

The House divided. [2.01 p.m.]

Ayes.……….. 60
Noes.……….. 76
Majority…….... 16

AYES

Ferguson, L.D.T.  Fitzgerald, J.A.
Gibbons, S.W.  Gerick, J.F.
Griffin, A.P.  Gillard, J.E.
Hatton, M.J.  Hall, J.G.
Hollis, C.  Hoare, K.J.
Irwin, J.  Horne, R.
Latham, M.W.  Jenkins, H.A.
Lee, M.J.  Lawrence, C.M.
Macklin, J.L.  Livsey, R.F.
McClelland, R.B.  Martin, S.P.
McLeay, L.B.  McFarlane, J.S.
Melham, D.  McMullan, R.F.
Mossfield, F.W.  Morris, A.A.
O’Byrne, M.A.  Murphy, J.P.
Pibersek, T.  O’Keefe, N.P.
Quick, H.V.  Price, L.R.S.
Roxon, N.L.  Ripoll, B.F.
Sawford, R.W * Sercombe, R.C.G *
Smith, S.F.  Rudd, K.M.
Swan, W.M.  Sciacca, C.A.
Thomson, K.K.  Sidebottom, P.S.
Wilton, G.S.  Snowdon, W.E.

NOES

Abbott, A.J.  Anderson, J.D.
Andrews, K.J.  Anthony, L.J.
Anthony, L.J.  Baillie, F.E.
Baird, B.G.  Bartlett, K.J.
Barresi, P.A.  Bishop, B.K.
Billson, B.F.  Brough, M.T.
Bishop, J.I.  Cameron, R.A.
Cadman, A.G.  Charles, R.E.
Causley, I.R.  Downer, A.J.G.
Costello, P.H.  Elson, K.S.
Draper, P.  Faber, J.J.
Entsch, W.G.  Forrest, I.A *
Fischer, T.A.  Gamburro, T.
Gallus, C.A.  Georgiou, P.
Gash, J.  Hardgrave, G.D.
Haase, B.W.  Howard, J.W.
Hockey, J.B.  Jul, D.F.
Hull, K.E.  Kelly, D.M.
Katter, R.C.  Lawler, A.J.
Kelly, J.M.  Lindsay, P.J.
Lieberman, L.S.  Macfarlane, I.E.
Lloyd, J.E.  MacArthur, S.*
May, M.A.  Moore, J.C.
Mcaulay, P.J.  Nairn, G. R.
McCrae, J.  Nelson, B.J.
Moylan, J. E.  Nugent, P.E.
Nehl, G. B.  Pyne, C.
Neville, P.C.  Ronaldson, M.J.C.
Prosser, G.D.  Schutz, A.
Reith, P.K.  Secker, P.D.
Ruddock, P.M.  Southcott, A.J.
Scott, B.C.  Stone, S.N.
Sommerv, A.M.  Thompson, C.P.
St Clair, S.R.  Truss, W.E.
Sullivan, K.J.M.  Vale, M.A.J.
Thompson, A.P.  Wakelin, B.H.
Tuckey, C.W.  Williams, D.R.
Vale, D.S.  Worth, P.M.
Wash, M.J.  Wooldridge, M.R.L.

AYES

Albanese, A.N.  Beazley, K.C.
Bevis, A.R.  Burke, A.E.
Byrne, A.M.  Cox, D.A.
Crean, S.F.  Ellis, A.L.
Edwards, G.J.  Evans, M.J.
Emerson, C.A.  Ferguson, M.J.

NOTES

Anderson, J.D.  Anthony, L.J.
Baird, B.G.  Bartlett, K.J.
Bishop, B.K.  Brough, M.T.
Charles, R.E.  Downer, A.J.G.
Elson, K.S.  Faber, J.J.
Forrest, I.A *  Gamburro, T.
Georgiou, P.  Hardgrave, G.D.
Howard, J.W.  Jul, D.F.
Kelly, D.M.  Lawler, A.J.
Lindsay, P.J.  Macfarlane, I.E.
McArthur, S.*  Moore, J.C.
Nairn, G. R.  Nelson, B.J.
Nugent, P.E.  Pyne, C.
Ronaldson, M.J.C.  Schutz, A.
Secker, P.D.  Southcott, A.J.
Stone, S.N.  Thompson, C.P.
Truss, W.E.  Vale, M.A.J.
Wakelin, B.H.  Williams, D.R.
Worth, P.M.
PAIRS
O’Connor, G.M. Hawker, D.P.M.
Theophanous, A.C. Kemp, D.A.
* denotes teller

Question so resolved in the negative.

Mr SPEAKER—Order! The time being past 2 p.m., the debate is interrupted in accordance with standing order 101A. The debate may be resumed at a later hour.

QUESTIONS WITHOUT NOTICE

Aboriginals: Stolen Generation

Mr BEAZLEY (2.07 p.m.)—My question is to the Prime Minister. Does the Prime Minister recall the comments by Michael Long in yesterday’s Sun-Herald in which he asked:

Does Mr Howard understand how much trauma my grandmother suffered. It ripped her heart out, what she went through.

And has he seen today’s letter in which Carlton football legend Syd Jackson describes recent comments by government members as ‘an insult to those living and dead that were stolen from their families’? Indeed, has he read today’s report in the Australian of the distress of Lowitja O’Donoghue caused by the events of the last week in general and his government’s submission to the Senate inquiry in particular?

Prime Minister, if you will not apologise for the hurt and trauma caused by past practices to indigenous Australians, will you at least apologise to the members of the stolen generation and their families for the hurt and trauma that your government has caused by its insensitive statements over the last week?

Mr HOWARD—I thank the Leader of the Opposition. Let me say very directly to anybody in the Australian community who was in any way offended by that document I am sorry about that, because the document was not designed to offend anybody. The document was designed in good faith by the minister and those who assisted him in preparing it to present some material and some analysis that they regarded as relevant to the debate. It was not designed with any malign intent, yet it has been unfairly represented as having a malign intent. I regard the reaction of some people to the submission as having been understandable. I include in that people who either were removed themselves or had parents who were forcibly removed under past practices. I regard their reaction as being quite understandable, and I am very sensitive to that. I regard the reaction of some who have sought to exploit this politically as being quite despicable.

The truth is that there were many people forcibly removed when they should not have been. Nobody is pretending to deny that. Senator Herron is not pretending to deny it, nor am I. Nor have any of us attempted to deny that. But it is equally true that there was some elements of the report prepared by Sir Ronald Wilson that did deserve critical analysis and comment. I do not reside in any way from a rigorous examination of that report. The absence in that report of any opportunity in the report process for people who may have been involved in the removal practices to give their point of view, I think, was a regrettable and quite basic flaw in the whole procedure. References in the debate to the word ‘genocide’ or the practice of genocide are also inaccurate and unfair.

These are difficult and sensitive issues. No Prime Minister or government sets out to create a situation where people are hurt. That has never been the intention of this government. But, equally, there is a different point of view and a different perspective to be put on this issue in a number of respects, and that is what Senator Herron—a humane and decent man by any measure—has sought to bring. I would suggest to the Leader of the Opposition that, if he shares a desire to deal with these matters in a sensitive fashion, he would seek no further to engage in wedge politics on the subject.

Workplace Relations: Employment Figures

Dr SOUTHCOTT (2.11 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Minister, would you inform the House of the employment figures released by the Australian Bureau of Statistics this morning? What do these figures indicate about the success of the government’s workplace relations reforms put in place over the last four years?

Mr REITH—I thank the member for Boothby for his question. The Australian Bu-
The Bureau of Statistics released its latest labour force data this morning. The unemployment rate for the month of March was 6.9 per cent. This actually is a pretty good number. It ticked up from 6.7, but when you look behind the 6.9 there are some very good figures. For example, whilst total employment grew by 8,300 in March, in fact the number of full-time jobs created, on the seasonally adjusted basis, was 27,000. That is a very strong performance and reflects the very positive news we have had in respect of employment over the last 12 months, where the number has grown by 2.9 per cent. In fact, more than 70 per cent of that employment growth over the last year has been full-time, real jobs, providing real work opportunities for people.

The figure also needs to be seen against the backdrop where the participation rate ticked up on this occasion by 0.1 per cent. The figure was 63.6 per cent in March. That compares very favourably to the figure of 62.4, which was the average figure during Labor’s 13 years in office.

Mr Beazley—It was 3.8 when you came into office.

Mr REITH—If you want to talk about ‘since we have been in office’, 662,200 jobs have been created since we were in office and the rate of unemployment has dropped from 8.5, which you left us, to 6.9 per cent now. Just to look at the numbers in detail, one of the particularly good numbers is the teenage full-time unemployment rate. It fell. But the figure for young people looking for full-time jobs, at 4.9 per cent, is the lowest level since 1978. Can I conclude by saying that this obviously reflects many of the changes that we have made in the management of the Australian economy, including workplace relations, the changes that have been made to getting the national budget back into order after the $10.3 billion deficit that we inherited from the now Leader of the Opposition.

While we have been making those changes, which have been producing these good benefits for people—giving them the chance of a job—the Labor Party have been opposing them. They have opposed us every step of the way, while what we have been doing has in fact been providing jobs. Yesterday we saw it again. The opposition now to Australian workplace agreements just demonstrates that, when it comes to policy, if the unions want it the Labor Party say, ‘Anything you want.’ When it comes to doing something to give young people a chance of a job, you do what the unions tell you to do. These figures demonstrate that with strong economic management in the national interest we can continue to do better, and the people who are opposed to further reform and who have opposed the reforms that have produced these good results are the members of the Labor Party.

**Tax Reform: Company Directors Survey**

**Mr McMULLAN** (2.15 p.m.)—My question is to the Prime Minister. Is the Prime Minister aware that the March 2000 quarterly survey of company directors conducted by the Australian Institute of Company Directors and KPMG concluded:

... pessimism about Australia’s future economic outlook (is being) driven by a growing belief in the negative effects of the new tax system and a concurrent increase in uncertainty over interest rates.

Prime Minister, who is right—you or the directors of Australia’s companies?

**Mr HOWARD**—It is not a question of who is right and who is wrong on something like this; it is a question of understanding the economic environment in which businesses operate in Australia.

Mr McMullan—Company directors are in business.

**Mr HOWARD**—Yes, company directors are in business. It is a question of understanding the environment in which they are operating. I notice comments from time to time from representatives of the business community and the results of surveys. Of course when you have a new tax system, a tax system which represents such a profound and beneficial change to the way the tax system of this country operates, you are going to have a great deal of interest and there is going to be a great deal of need to explain the operation of that system. It does not surprise me in the slightest, and it ought not to surprise anybody who has been in politics for a few years, that when you are embracing a change of this kind there is going to be a pe-
period in the lead-up to the change where people are going to be asking questions. People may have doubts and they may have issues to be resolved—that is a perfectly normal thing—and I find it totally unsurprising that in the months leading up to 1 July there should be surveys producing these sorts of results because it is a huge change. It is when the change comes in that the benefits will begin to flow.

I would remind the person who asked the question, who has had some experience in politics both from an organisational and a parliamentary perspective, that when you have a build-up to a major change there will always be a lot of questions asked and there will also even be some doubts in people’s minds. Let me say to the business community of Australia: we understand that you have questions and our response is that we are providing the answers. We are getting the administrative responses ready, but it is a huge change. I would also say to the business community of Australia and, most particularly, to the company directors of Australia, that for years and years the business community has exhorted successive governments to reform the taxation system of this country. The government that I lead is the first government since World War II that has had the courage and the commitment to reform the Australian taxation system. We were prepared to run the political gauntlet of that at the last election. We are quite prepared to endure the inevitable nitpicking and criticism that is going to go on between now and 1 July. We accept the political consequences of that and we understand that we are exposed during that period to a great deal of criticism, even doubt, but we know in the end that what we are doing is in the long-term interests of Australia. That is why we are persevering with it.

You may well revel in quoting a survey of that kind and you may well derive some temporary benefit from the difficulties of preparing for the implementation of an enormous tax change of this character, but I am very confident that, as the weeks and the months roll by after 1 July this year, the Australian community will warm to the benefits of this fundamental reform and to the tax cuts; the business community will warm to a 30 cents in the dollar tax rate; the business community will warm to a halving of the capital gains tax; the self-funded retirees will warm to their benefits, particularly the abolition of provisional tax; Australian families will warm to their benefits; and the 80 per cent of taxpayers in the Australian community who will be on the top marginal rate of no more than 30 cents in the dollar will also warm to the new tax system. Your sort of shallow opportunism on the issue will be revealed for the phoney response to an important national issue that it so clearly represents.

Tax Reform: Alternative Policies

Ms JULIE BISHOP (2.20 p.m.)—My question is addressed to the Treasurer. Is the Treasurer aware of any economic plan currently being promoted as an alternative to the government’s program? Are there any constructive proposals being put forward as an alternative to the government’s tax policy?

Mr COSTELLO—I thank the honourable member for Curtin for her question. She asked whether there is any economic plan currently being promoted as an alternative to the government’s program. The answer is no—most certainly, not by the opposition. The Deputy Leader of the Opposition, who is yet to announce an economic program, recently went up to Queensland to give a keynote address on tax. He said that he was going to assess the government’s tax policy against criteria laid down by Adam Smith, which I suppose is a good principle for an ACTU president: Mr Tariff meets the invisible hand. He said that he was going to analyse our tax policy according to the principles of equity, efficiency and simplicity. He spent about two pages saying that it was not efficient, two pages showing that it was not equitable and two pages saying that it was not simple, but then ended up by saying that the Labor Party intended to keep it. They are so opposed to the GST—it is not simple, efficient or equitable—that if they ever get elected they intend to keep it. As was apparently clear from the whole of the speech, it was just another opportunistic point-scoring
attack on something that the Labor Party intend, if they ever get into office, to keep.

From the government’s point of view, as the Prime Minister said, explaining the new tax policy involves taking on board submissions and answering questions. Part of that job is being done by the chairman of the new tax board, Mr Chris Jordan. He was on Canberra radio on 22 March 2000, taking suggestions and answering questions, when he took a talkback call from Chris from Waramanga. Chris from Waramanga rang in with a couple of questions on insurance, and the Taxation Office and the new tax system board chairman started answering these questions. Chris from Waramanga said, ‘The answer you are giving is contrary to evidence given in a Senate committee.’ The tax office were pretty surprised by that. I know the people of Waramanga take a great interest in tax matters, but the tax office were surprised they had started reading Senate committee inquiries down there in the shopping centre of Waramanga. So the chairman of the new tax system board said to Chris from Waramanga, ‘If you leave a phone number, we’ll get back to you with the answer.’ ABC Radio 666 Canberra rang back the number, and the answer at the other end of the line was ‘Deputy Leader of the Opposition’—Chris from Waramanga ringing out of the office of the Deputy Leader of the Opposition on talkback radio, with questions about the GST. There he was. No wonder they do not have time to produce a policy. Here they are with all of their little employees ringing around on talkback radio trying to create confusion about a tax which they intend to keep. They have no policy, no ideas and no tax suggestions—just a heap of people sitting in parliamentary offices calling on parliamentary phones trying to create trouble in the guise of Chris from Waramanga.

Fran Bailey interjecting—

Mr SPEAKER—The member for McEwen!

Honourable members interjecting—

Mr SPEAKER—I will deal with the member for Wentworth and anyone else who interrupts the Deputy Leader of the Opposition.

Goods and Services Tax: Families

Mr CREAN (2.24 p.m.)—My question is to the Prime Minister. Prime Minister, do you stand by your claim in the House last month that ‘The average family will receive a tax cut of $47 a week after factoring in the goods and services tax’, a claim repeated in your GST advertising?

Mr HOWARD—As always, I like to check what the member for Hotham says.

Fran Bailey interjecting—

Mr SPEAKER—The member for McEwen is warned.

Mr Crean—Mr Speaker, I rise on a point of order. The point of order goes to relevance. This is what the Prime Minister said, not what I said.

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

Mr HOWARD—I will check the Hansard, and I will ring you back.

Roads: Black Spot Funding

Mr LLOYD (2.27 p.m.)—My question is addressed to the Minister for Transport and Regional Services. Would the minister outline to the House the benefits of the Commonwealth government’s black spot road funding program? Is the minister aware of any impediments to the successful implementation of this program?

Mr ANDERSON—I thank the honourable member for his question. The member for Robertson would well understand the nature of the Black Spot Program. While the government provided $500,000 to rectify an accident black spot on a road in your electorate, the New South Wales Labor government would not contribute, even though it was their road. They stayed right out of it. They contributed nothing to fixing the hazard, and the road is their responsibility. They walked away from it. It is not just the New South Wales state Labor government that walk away from the Black Spot Program; the federal Labor Party are just as bad. They abandoned it altogether when they were in government.

We introduced this package in 1996, after Labor had abandoned it, to reduce road trauma across Australia. Since then, a total of
no fewer than 1,490 programs have been funded at an estimated value of $156 million. It is worth illustrating this to demonstrate that it is of value to Australians living in electorates right across the nation. For example, in the year 2000-01 Black Spot Program, we see the electorate of Paterson benefiting.

Mr Horne—Ripper!

Mr ANDERSON—Ripper! Great, he says. He welcomes that announcement for a black spot program at Tamango Road and the Pacific Highway, where there were 11 casualty crashes over six years. But, if Labor were in government, it would not be fixed. The black spot would have fallen into a Labor Party black hole. In the electorate of Hunter—we had an interjection a moment ago from the member for Hunter—we have given $450,000 to fix an accident black spot on the Golden Highway where there have been six casualty crashes in one year, surely a tragedy. If the Labor Party were in government, the electorate of Hunter would have missed out too. In the electorate of Capricornia, which has really benefited from some worthwhile infrastructure expenditure by the government in recent times, we have given $50,000 to fix an accident black spot where there have been three casualty crashes in three years. If the Labor Party were in government, they would have missed out. In the electorate of McMillan, we have given $290,000 to fix a spot at Bunyip Road, Hope Street and Cemetery Lane where 13 casualty crashes occurred in five years—again, nothing would have happened if the ALP had been in power. In other words, we get rid of dangerous black spots, whereas the Labor Party just gets rid of the black spots program.

Goods and Services Tax: Families

Mr CREAN (2.30 p.m.)—My question again is to the Prime Minister. Prime Minister, isn’t it true that the extra $47 a week you claimed families would have in their pockets would have in their pockets is before, not after, they pay the GST? Haven’t you misled the parliament and hasn’t your GST advertising campaign misled the Australian people by pretending the average family will—and I quote again—‘receive a tax cut of $47 a week after factoring in the goods and services tax’? Isn’t your $80 million advertising campaign blatantly false, and will you withdraw it?

Mr HOWARD—I will repeat the answer I previously gave, Mr Speaker, which was in the negative.

Medicare: Day of Action

Mr HARDGRAVE (2.32 p.m.)—My question is addressed to the Minister for Health and Aged Care. Would the minister inform the House of the government’s response to the national day of action in defence of Medicare which is planned for tomorrow? Would you also outline what the government has done to strengthen Medicare and the public hospital system?

Dr WOOLDRIDGE—I thank the honourable member for his question. I welcome the day of action tomorrow because this government is the best friend that Medicare has ever had. In four particular areas we have been able to strengthen Australia’s health care system in a way that was never envisaged four years ago. First, in general practice, much of the work a general practitioner did was unfunded. It focused particularly on treating illness but not at all on preventing illness. Last year we introduced new items for case conferencing and care coordination, and new items numbers for an annual health check—the first time Medicare has focused on delivering preventative health care services rather than curative health care services. There has been a fabulous take-up of these new item numbers. They are exceedingly popular and we believe they are going to be of enormous benefit to older Australians in managing chronic illness.

The second part of Medicare relates to public hospitals. The only threat that was posed to public hospitals was their chronic underfunding which resulted from the health care agreement signed in the dying days of the Keating government prior to the 1993 election. Had that health care arrangement continued, public hospitals over this five-year agreement would be $4.5 billion worse off. There is new money going into Australia’s public hospitals over and above what was foreshadowed in the previous health care agreement, new money coming into the sys-
tem—not money that has been taken away from the financial assistance grants to the states, as it was in 1993.

We have also given the hospitals substantial additional flexibility in how to deal with some intractable problems. One simple example is in pharmacy. Honourable members would know that public hospitals were giving outpatients a script to go to a private pharmacist, or someone being discharged from hospital would have only one or two days of medicine before having to go and see a GP, which might be highly impractical for a person recovering from an operation. In the last few weeks we have signed an agreement with the states and territories whereby the Commonwealth will take over this role of providing outpatient medications and discharge medications, so there will be one level of government doing it and people will not be inconvenienced as they have been historically.

When we came to government in 1996, there were two ways you could claim on Medicare: go to a Medicare office or go through the post. Today we have a network of 800 claiming facilities around Australia, including in pharmacies. And with health insurance companies being able to act as agents of Medicare there is a coverage, again, that was never envisaged.

Finally, where there is a great difference between the two sides of politics is in the role of private health insurance as part of an overall Medicare system. This has been well recognised by people on the other side of politics. Graham Richardson in 1993 said, ‘It must always be remembered Medicare was intended to coexist with the private health insurance system, not replace it. Initial estimates of the cost of Medicare assumed that at least 40 per cent of Australians would maintain their private cover.’ Bob Carr recognised it when he said in 1997, ‘As fast as money was hurled at hospitals, there was abandonment of private health cover and a further rise in demand on the public system.’ Peter Beattie recognised it when he said, ‘It is an unarguable fact that if more people took out private health insurance it would alleviate the burden on the public system.’ Even one Labor frontbencher recognised it in 1991 when, in a report on hospital services in Australia, the statement was made, ‘If private health insurance levels drop, this can result in an increased demand for public hospitals and reduced incomes from private patients.’ That is the one time that the member for Jagajaga has been correct on health.

In private health insurance we have tackled long-term solutions through Lifetime Health Cover and through a 30 per cent rebate. Health insurance funds lost $150 million in the first financial year that this government was in office. They are now in a healthy situation with the lowest premium increases in 15 years and the best services they have ever provided.

Goods and Services Tax: Families

Mr CREAN (2.36 p.m.)—My question is again to the Prime Minister. Prime Minister, given that it is clear your claimed family gains of $47 a week are false because they exclude the GST, will you now also admit that these gains are dependent upon an inflation assumption of 1.9 per cent—a figure which no-one believes—and that they ignore the three interest rate rises to date which have already eroded these claimed gains by a further $20 a week. Aren’t these promised tax cuts disappearing even before they come in?

Mr HOWARD—The answer to that assertion is plainly that they are not. But the Deputy Leader of the Opposition would have the parliament believe otherwise of a proposal that is going to reduce tax by a record amount of $12 billion—a tax change that is going to mean that 80 per cent of Australian taxpayers will be on a top marginal rate of no more than 30 cents in the dollar, a tax change that will clearly leave average families far better off than they would have been.

I think it is also important that, as we are looking at the proposals of the government, we also look at the proposals of the opposition. Be it remembered that this question has been asked by the deputy to the man who would increase income tax if he were to become Prime Minister. The Deputy Leader of the Opposition is up here today questioning us in relation to personal tax cuts under a program that we, over the last two years, have taken to the Australian people, won
their endorsement for and have been prepared persistently to argue the merits of through the parliament and within the Australian community. In relation to that program, the House ought to be reminded: the Leader of the Opposition has got himself into the impossible position of saying that he is going to roll back aspects of the GST but that he is not going to leave the states any worse off. He professes that he is no longer a serial offender so far as budget deficits are concerned and that, therefore, he is not going to put the budget back into deficit. So the only way that he can possibly achieve those goals is to increase income tax. So the real take-out of this debate is that, if you want personal tax cuts for Australian families, you support the coalition; if you want to vote for a program that will increase income tax, you vote for Kim Beazley and Simon Crean.

Goods and Services Tax: Families

Mr NEHL (2.39 p.m.)—My question is addressed to the Treasurer. Has the Treasurer seen reports in today’s newspapers that a single income family on $50,000 has had its tax cuts swallowed as a result of interest rate increases? Are these reports accurate?

Mr COSTELLO—I thank the honourable member for Cowper for his question. Has the Treasurer seen reports in today’s newspapers that a single income family on $50,000 has had its tax cuts swallowed as a result of interest rate increases? Are these reports accurate?

Mr Crean interjecting—

Mr COSTELLO—I thank the honourable member for Cowper for his question. Has the Treasurer seen reports in today’s newspapers that a single income family on $50,000 has had its tax cuts swallowed as a result of interest rate increases? Are these reports accurate?

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Mr COSTELLO—I thank the honourable member for Cowper for his question. Has the Treasurer seen reports in today’s newspapers that a single income family on $50,000 has had its tax cuts swallowed as a result of interest rate increases? Are these reports accurate?

Mr Crean interjecting—

Mr COSTELLO—I thank the honourable member for Cowper for his question. Has the Treasurer seen reports in today’s newspapers that a single income family on $50,000 has had its tax cuts swallowed as a result of interest rate increases? Are these reports accurate?
‘Do you accept that interest rates have to be as high as they are now?’ Mr Crean: ‘Well I think everyone accepts that interest rates are high because of the circumstances associated with the domestic economy growing fast.’

Question: ‘Do they have to be at 17 per cent?’ Mr Crean: ‘Well, they are 17 per cent.’

No, no income tax cut—17 per cent. We are talking about a home mortgage interest rate now of 7.5 per cent; leaving aside the last 12 months of this government, the lowest since 1973—nothing like 17 per cent.

The final proposition that seems to be made in these scenarios is that what you do is ignore every interest rate cut. So you ignore the fact that, when the government was elected, interest rates were at 10½ per cent and they are now at 7½ per cent—you ignore that. You ignore the $3,000 per annum benefit from the government’s policy. All you do is factor into these equations interest rate rises. So you ignore that it is now 7½ when it was 10½. What you say is that you factor in a movement from 6½ to 7½.

Let me tell you why such an analysis, not only because they are not related, is not done. It is only an analysis that then has to distinguish between savers and borrowers. If that analysis were right and you were factoring in interest rate rises, the consequence would be that if you are a non-home owner—that is, that you are a net saver—you would be increasing your after tax benefit as a result of interest rate rises. So, presumably, if those people were savers, you should be giving them income tax rises. If they are home buyers, presumably on that logic, you should be giving them income tax cuts.

This government has put in place tax changes which reform the indirect tax system, the personal income tax system, the family allowance system and the business tax system. In relation to tax policy, as a consequence of all of that, Australian families are unequivocally better off. This is tax reform which is going to give Australians better opportunities in the future and that is why this government is driving the changes.
think what the member has overlooked is the change in the whole basis of family payments under the new tax system. People will get family tax benefit A or B depending on their circumstances; so, far from being worse off, people will be better off. Under the new arrangements, more people will receive assistance. More women will be eligible for the maternity allowance under the new system. You did not acknowledge that. Women on maternity leave for part of a financial year will also benefit from the increased tax free thresholds. Payments will be increased and the assets test will be abolished. Some low income families will be entitled to a family tax benefit where they do not currently receive any basic parenting payment. The family tax benefit will deliver extra assistance to single income families in recognition of the income they forgo by having a parent stay at home to raise children. Families can update their estimate of income at any time if their circumstances change.

What the opposition has overlooked and what the newspaper article overlooked is that the new tax system is an integrated package designed to deliver equitable and targeted assistance. What the member for Lilley fails to understand is that from 1 July the basic parenting payment will be replaced by the family tax benefit B and under family tax benefit B there will be no income test on the income of the primary earner. The income test will apply only to the income of the secondary earner. In overall terms, more families will benefit to a greater extent than they do at present—and the member for Lilley is wrong.

Mr Beazley—Mr Speaker, I ask that the Prime Minister table the document from which he is quoting.

Mr SPEAKER—Is the Prime Minister quoting from a confidential document?

Mr Howard—The document is marked ‘confidential’.

Mr SPEAKER—The Prime Minister has indicated that the document is confidential.

Trade: Saudi Arabia
Mrs HULL (2.50 p.m.)—My question is addressed to the Minister for Trade. Would the minister inform the House of recent developments in our trade relationship with Saudi Arabia? Is our trade to the Middle East continuing to grow?

Mr VAILE—I thank the honourable member for Riverina for her question. I am pleased to inform the House that the relationship between Australia and the Kingdom of Saudi Arabia is extremely strong and growing at the moment. Of particular relevance to the member for Riverina will be the products that we are now selling to Saudi Arabia. I inform the House that there have been a number of events this year that have strengthened our relationship, particularly our trade relationship, with the Kingdom of Saudi Arabia.

Firstly, earlier this year, I led a trade mission of some 60 Australian business men and women to the Kingdom of Saudi Arabia. That was one of the largest trade missions to leave Australia. We were very warmly received in Saudi Arabia. At that point, we had the opportunity of meeting with His Royal Highness Prince Salman, who is in the chamber with us today. Secondly, last week Australia concluded an in-principle agreement with the Kingdom of Saudi Arabia on our bilateral relationship which will go a long way towards seeing Saudi’s accession to the WTO. We are one of the early countries to conclude an in-principle agreement with the Kingdom of Saudi Arabia on their WTO accession. Of course, the third event that is strengthening the relationship between our two countries is the visit this week by His Royal Highness Prince Salman and his delegation to Australia.

On the issue of the WTO agreement, it builds upon a record export year last year where we saw $1 billion worth of Australia’s manufactured goods and services exported to the kingdom of Saudi Arabia. Leading those exports were auto exports, and I have mentioned this before in the House. We saw around $500 million worth of automotive exports, including 23,000 Toyota Camry cars built in Australia, exported to the kingdom of Saudi Arabia. As part of the in-principle agreement with regard to Saudi’s WTO accession, it covers almost 600 product categories, and it sees the reduction in tariffs on products such as milk, which was previously banned from the Saudi market, and wheat...
and wheat flour, where we have negotiated down a prohibitively high tariff.

It is a good outcome for Australia. It is a good outcome for the kingdom of Saudi Arabia. We expect to see the relationship continue to strengthen and deepen in the years to come. After my visit to Saudi Arabia earlier this year and the visit led by His Royal Highness Prince Salman, we do expect to see that strengthen in the future, particularly in our trade relationship. This trade success story is obviously due to the coalition government looking beyond Labor’s Asia-only policy into the very, very important regions of the Middle East.

Goods and Services Tax: Television Advertisements

Mr BEAZLEY (2.54 p.m.)—My question is to the Prime Minister, and it follows the one asked previously from this side of the House. Prime Minister, is it not a fact that your GST family TV advertisement states: ‘Relax, John and Wendy. From July, the government is providing special additional assistance for the cost of raising children.’ Can you confirm that, if John and Wendy are expecting a child in December this year and John has an annual income of $30,000 and Wendy $28,000, they will, under the new tax system, when Wendy stops work lose $67 a fortnight in existing parenting payment? Is it not the case that, even with the tax cuts and family allowance increases, John and Wendy are $29 a fortnight worse off, and that is before they pay any GST, without even taking into account interest rate rises? Isn’t your TV advertisement blatantly false and will you withdraw it?

Mr HOWARD—We have no intention of withdrawing the advertisement. I have not brought a ready reckoner or a calculator with me but, as always, I take on notice assertions made from the other side of the House about what has been said by anybody, be it a government, a TV advertisement, a member of the government or, indeed, a member of the community.

Can I just pick up on one other aspect of the question asked by the Leader of the Opposition. It is this dishonestly selective use of interest rate movements—an absolutely dishonestly selective use. To start with, taxation, as the Treasurer said, moves quite independently of interest rates.

Mr Beazley—Mr Speaker—

Mr HOWARD—On what basis can this be irrelevant?

Mr SPEAKER—Prime Minister, the Leader of the Opposition has not as yet indicated on what reason he is rising. I recognise the Leader of the Opposition.

Mr Beazley—Mr Speaker, I am rising on the grounds of relevance. We have asked here a set of very specific questions related to what will be a very substantial impact on an ordinary Australian family. My remarks were made without even taking into account anything in relation to interest rates, so how could it be relevant to talk about them?

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

Mr Beazley interjecting—

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

Mr Tuckey interjecting—Mrs Crosio interjecting—

Mr SPEAKER—The Minister for Forestry and Conservation and the member for Prospect! I will check the Hansard, but in fact I made a note while the Leader of the Opposition was asking his question and I was certain he made reference to interest rates in that question. In that sense, the Prime Minister’s reference to interest rates could hardly be deemed to be irrelevant.

Mr Beazley—My words were exactly this: ‘without even taking into account interest rate rises’. This is $29, irrespective of anything that happened with interest rates.

Mr SPEAKER—The Leader of the Opposition made reference, as he freely concedes and as I am now indicating, to interest rate rises in order to in fact make that point in his question. In that sense, I cannot rule the Prime Minister’s answer out of order.

Mr Howard—Returning to my theme, the Leader of the Opposition and the Deputy Leader of the Opposition have sought quite persistently during question time, with a very dishonest and selective character, to link
movements in interest rates to reductions in taxation.

Mr Beazley—Mr Speaker, I have just been described as dishonest in relation to interest rates. Let me read you the paragraph and you make a judgment as to whether or not I was incorporating within it figures related to interest rates.

Mr SPEAKER—No, there is no need for the Leader of the Opposition to do that. I will rule—

Mr Beazley—I think it is very important that you hear it to be able to rule on it.

Mr SPEAKER—I will hear the Leader of the Opposition.

Mr Beazley—Thank you. I said ‘even with the tax cuts and family allowance increases, John and Wendy are $29 a fortnight worse off, and that is before they pay any GST—

Mr Reith—Mr Speaker, I rise on a point of order. This point of order from the Leader of the Opposition is repetitious because he said, ‘I want to put the point to you again.’ It is frivolous, given the absurdity of the point that he is attempting to make. He cannot stop talking. He asked his question and he ought to wait for the answer.

Mr Beazley interjecting—

Mr Reith—You’ve proved my point!

Mr Beazley—I continue my point of order, Mr Speaker. I came to that point in that paragraph in which I said ‘without even taking into account interest rate rises’. It was specifically excluded from that $29 worse off figure.

Mr SPEAKER—The Leader of the Opposition will resume his seat. I have ruled on this matter. My ruling is entirely consistent with rulings made in the past and I call the Prime Minister.

Mr HOWARD—Mr Speaker, I return again to the theme that I was making before the Leader of the Opposition interrupted—that is, that throughout question time today, members of the opposition have sought fraudulently and selectively—

Ms Hoare—Withdraw your ads. They’re dishonest.

Mr Tuckey—Mr Speaker, I ask her to withdraw.

Mr SPEAKER—The Minister for Forestry and Conservation did not have the call.

Mr HOWARD—And he doesn’t want it.

Opposition members interjecting—

Mr SPEAKER—The member for Charlton!

Mr Zahra—He’s got a long memory, Wilson.

Mr SPEAKER—And the member for McMillan for the second time.
Immigration: Skilled Migration Program

Mr LINDSAY (3.02 p.m.)—My question is directed to the Minister for Immigration and Multicultural Affairs. Minister, could you inform the House of the recent changes to the Australian migration program? What are the economic and employment benefits that can stem from the skilled component of that program? How does this assist regional centres, such as my communities of Townsville and Thuringowa?

Mr RUDDOCK—I thank the honourable member for Herbert for the question that he has asked of me, because this is about good news. It is about the substantial strength of the Australian economy and what is happening in our employment markets here in Australia. It is about the capacity that we have had within the program for migration, particularly the skilled program for migration, to be able to accommodate an increased number of migrants because there is an increased interest from highly skilled applicants.

Earlier this week I announced a 6,000 place increase in the migration program; 5,000 of those places are in the skilled stream. It brings the skilled stream to some 52 per cent of the program numbers, and it represents the best outcome for at least a decade.

Economic modelling has indicated that the combined effect of the shift in the balance of the migration program—that is, a balance in favour of skilled as against family migrants—and of the new points test has been that an improvement in living standards has been delivered. In fact, by the year 2007, there will have been, on a per capita basis, a $134 increase in GDP. Given that the program for this year has an even greater shift in the balance, it can be reasonably expected that the impact on living standards will be greater than that shown by the research.

The further research that we have had carried out demonstrates that the Commonwealth budget will be highly positive in terms of its fiscal balance as a result of the net benefit of some $120 million over five years from this single change in the migration program. The new points test has been very successful in targeting migrants with skills that are in high demand, and those areas include information technology, professionals, accountants and nurses. Of course, because many of these migrants are former students, they have had the advantage of getting their qualifications here, and that is highly beneficial as well.

We know from the recent data from the Australian Bureau of Census and Statistics that skilled stream entrants are doing extraordinarily well. They are making an immediate contribution to our economy. When you compare this with some of the results that we have seen overseas—particularly in the United States of America, where there has been a rise in inequality and poverty when there has been large scale unskilled migration—you can see that the changes in the program have been enormously beneficial.

I might say for the benefit of the member for Batman that we are working very considerably with the states that are interested in a better dispersal of the migration outcome to obtain a significant dispersal. This is one of the reasons that we are continuing with a contingency reserve for extra places for those states and regional authorities that believe that their states and territories can benefit through further skilled migration into regional areas. This is a program that is highly beneficial to the Australian community and one which I am sure all honourable members would want to support.

Australian Liberal Party: Fundraising

Ms MACKLIN (3.07 p.m.)—My question is to the Minister for Health and Aged Care. Will the minister confirm that Dr Rick McLean invited small groups of doctors, just six to eight, to attend a series of fundraising dinners with the minister in 1998 and 1999? Did these dinners involve senior radiologists and nuclear physicians with substantial financial interests in decisions that the minister was responsible for? Is this the same Dr Rick McLean that you appointed to chair the Radiation Health and Safety Advisory Council in August last year with remuneration of $25,000 a year?

Dr WOOLDRIDGE—It is the same Dr McLean that you said acted as a lobbyist for private sector nuclear medicine and he
does not. It is the same people that you said were negotiating government rebates for positron emission tomography and nothing of that is happening at all. What you are trying to do is smear someone using the old union tactic. This guy has sat on a committee for the New South Wales government on nuclear medicine and technology for five years. He has been good enough for Bob Carr; he has not been good enough for you. But that should not be surprising: the Victorian Left never takes into account what the New South Wales Right does.

Prime Minister of Japan

Mrs GASH (3.09 p.m.)—My question is addressed to the Prime Minister. Will the Prime Minister inform the House of the government’s response to the election yesterday of a new Japanese Prime Minister?

Mr HOWARD—I thank the honourable member for Gilmore for her question. On behalf of the government and, I know, the people of Australia, I would like to offer our congratulations to Mr Yoshiro Mori, the new Prime Minister of Japan. I know that all of us will regret the circumstances in which it has become necessary for Japan’s ruling LDP to choose a new leader and therefore, by operation of the Japanese political system, a new Prime Minister. I know Mr Mori, having met him during my visits to Japan. I know that all Australians concerned about our relationship with that very important country will wish Mr Obuchi, the former Prime Minister, the very best in his difficult days with his very severe illness.

The relationship between Australia and Japan is a very important one. Japan for a very long period of time has been Australia’s best customer, and the manner in which, starting with the trade agreement negotiated by the then Deputy Prime Minister John McEwen in 1957, the economic relationship between our two countries has been developed over the years reflects very great credit on successive leaders of both of the countries. I had the good fortune to visit Japan last year, and I look forward to meeting Mr Mori in his new capacity—I have met him in his earlier positions—at least at the APEC leaders meeting in Brunei later this year and perhaps earlier. I know that he assumes the leadership of Japan with the goodwill of many countries including Australia. It is a particularly important relationship for this country, and I know that he will contribute in a very dedicated way to the bilateral relationship, as have his two predecessors, Mr Hashimoto and Mr Obuchi. Again, I convey on behalf of the people of Australia our concern and thoughts to Mr Obuchi and to his family.

Australian Liberal Party: Fundraising

Ms MACKLIN (3.11 p.m.)—My question is again to the Minister for Health and Aged Care. Minister, is it not a fact that your fundraising dinners with radiologists and nuclear physicians were unlike any other political fundraisers because you met privately with small groups of people to discuss current Medicare rebate issues? Is this not demonstrated by the testimony of Dr Peter Karamokos, who is both a radiologist and a nuclear physician, when he said last night on Channel 10 that the invitation to him to contribute to Liberal Party fundraising by Dr Rick McLean was ‘an attempt at influencing the minister’s policy making’? Minister, how do you justify your actions?

Dr WOOLDRIDGE—The Liberal Party has a fundraising code of practice. Everything has been done completely in accordance with that. If you wish to talk about fundraising, I would suggest perhaps you check with Clyde Holding, the former minister for Aboriginal affairs, and see what financial relations flowed to the Labor Party as a result of knocking off national land rights. The Liberal Party has never plumbed the depths of the McKell Foundation. The Liberal Party has never plumbed the depths of the Hebron Foundation. The Liberal Party has never, as the former minister for health Carmen Lawrence did, refused to meet with the Australian Health Insurance Industry Association unless they organised a fundraising dinner for her, as happened in 1995. And the Liberal Party does not have relationships with private corporations where money is laundered through the federal secretariat for the personal benefit of some frontbenchers, and I think you should check a few of the people behind you, Kim.
Mr Tuckey—And after the Nick Sherry incident.

Mrs Irwin interjecting—

Mr SPEAKER—The member for Fowler is warned. The Chair is on his feet. The behaviour of members on both sides of the House leaves a great deal to be desired.

Mr Quick—Mr Speaker. I rise on a point of order. Would you ask the Minister for Forestry and Conservation to withdraw the last couple of remarks he has made regarding Senator Nick Sherry. I think they are entirely inappropriate.

Mr Tuckey—I only named his name.

Mrs Irwin interjecting—

Mr SPEAKER—The member for Fowler is warned. The Minister for Forestry and Conservation!

Mrs Crosio—Get back to your trees—they are your responsibility.

Mr SPEAKER—The member for Prospect is aware that she makes this whole question of what is appropriate and inappropriate language even more difficult to adjudicate on. It is out of character for her. I am unaware of what was said by the Minister for Forestry and Conservation. If he said something inappropriate, I would ask him to withdraw it.

Opposition members interjecting—

Mr Tuckey—Check the Hansard.

Employment Services: Funding

Mr NAIRN (3.16 p.m.)—My question is addressed to the Minister for Employment Services. Is the minister aware of recent comments on the level of funding being provided for employment services? Minister, what is the government’s response to these comments?

Mr ABBOTT—I thank the member for Eden-Monaro for his question. Yesterday in his MPI speech, the Leader of the Opposition mocked and derided the sincerity of this government’s commitment to the job seekers of Australia. He said that, if we were sincere, we would actually spend some money. His exact words were, ‘It would actually require some money.’ Let us have a look at the facts about who is spending money, and who was spending money, on the job seekers of Australia. This year, the government is spending $1.3 billion on employment services, and we intend to spend the same amount in the quadrennium. In 1992 and 1993, when the Leader of the Opposition was the minister for employment—the man who thinks the amount of money you spend is the measure of your sincerity—the spending by his government on employment services was not $3 billion or even $2 billion; it was $1.25 billion. In other words, this government is spending more on employment services when unemployment is under seven per cent than the Leader of the Opposition spent on employment services when unemployment was 11 per cent.

The other thing that the Leader of the Opposition said in his MPI speech yesterday is that the government, by reminding job seekers of their obligation to accept any reasonable job offer, was playing at some sort of wedge politics. Let us look at who is really playing wedge politics.

Mr Bevis interjecting—

Mr SPEAKER—The member for Brisbane is warned!

Mr ABBOTT—Who said: ‘We have got to go out now and intensively interview them and make them apply for work. If they don’t apply for work, we will bump them off’? Who said that, Mr Speaker? It was that well-known political philanthropist Paul Keating. Who said: ‘What we are proposing is extra obligations on the part of those receiving the benefits to take them up’? Who said: ‘If they refuse a reasonable offer, they will be taken off benefits’? It was none other than that Labor lord, the Deputy Leader of the Opposition, the member for Hotham. Who said, 50 years after the launch of the welfare state: ‘We are ending the unconditional benefit. It is the end of something for nothing. People have got a right to expect help from the government but, in turn, they have a responsibility to help themselves’? That was not Adam Smith or Milton Friedman; it was that apostle of New Labour, the British Secretary of State for Social Security.

The fact is that this government is perfectly serious in its commitment to the job seekers of Australia, and the kind of humbug
and hot air that we are getting from the Leader of the Opposition shows that he is not only a leader who lacks ticker but that most pathetic creature of all—a teddy bear who never had any stuffing.

**Health: MRI Scans**

Ms MACKLIN (3.20 p.m.)—My question is to the Minister for Health and Aged Care. Minister, can you explain to the House why you have still failed to make good your commitment to have your department’s files on the MRI scan scam tabled in the Senate? Why have you broken the undertaking to the Senate, given on your behalf on 29 November last year, that the information requested would be released by the end of last year? Is it not the case that, on 30 December, you said that you would finish examining the documents in the very near future and that you would then release the documents? When will you release these documents so that the public can see the truth?

Dr WOOLDRIDGE—I am just following along the lines of established practice that I learnt in years of opposition from the Labor Party.

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

**QUESTIONS TO MR SPEAKER**

Minister for Forestry and Conservation

Ms ROXON (3.22 p.m.)—Mr Speaker, I have a question to you and it is in regard to comments made by the Minister for Forestry and Conservation during question time. My question to you is whether it is appropriate parliamentary behaviour for ministers in this government to issue challenges to Labor backbenchers to step outside to resolve their disputes.

**Honourable members interjecting—**

Mr SPEAKER—In common with a number of my predecessors, there are occasions—not many—when I am disappointed with the level of exchange across the chamber, and there have been a few of those occasions this afternoon. As a general rule, I think most members endeavour to be civil to each other. I congratulate both the Prime Minister and the Leader of the Opposition on the general effort that is made to raise the standards in the chamber. I did not hear what the Minister for Forestry and Conservation had to say. There frequently are occasions when, because of the position of this chair, occupiers have found it difficult to hear those who are in what is loosely known as the horseshoe.

It is expected by all of those who elect us here that we will treat each other with civility. This is, after all, a place for debate. It is a place in which various points of view are expected to be able to be heard, whether we like them or not, without interruption. There are members on both sides who sometimes fail to meet what should be that automatic dictum of the House. I would plead on behalf of all occupants of the chair for a continued rise in standards.

**Opposition members interjecting—**

Mr SPEAKER—I did not respond directly to the question since it was the sort of comment that I have heard in this place before. I did not think it was an appropriate remark, nor did I think it was a remark that required any direct response from the chair.

An incident having occurred in the gallery—

Mr SPEAKER—While I am on my feet, the same obligations as apply to all of those in the chamber apply to those who are in the gallery. I ask that the person in the gallery resume her seat or that instead she be taken from the gallery.

An incident having occurred in the gallery—

Mr SPEAKER—Remove that person from the gallery.

Privacy Commissioner: Guidelines

Mr SPEAKER (3.25 p.m.)—On Monday, 3 April the honourable member for Chifley asked me whether Parliament House currently is complying with the guidelines that the Australian Privacy Commissioner has issued on workplace email, web browsing and privacy. The guidelines were issued by the commissioner last week—on Thursday, 30 March 2000.

I understand the guidelines recommend steps that organisers can take to ensure their staff understand, through the development and publicising of clear policies, the organi-
sation’s position on privacy relating to emails and web browsing. The Department of the Parliamentary Reporting Staff has undertaken an initial review of the guidelines and has concluded that generally the parliament complies with the guidelines, although further detailed analysis still is being carried out.

The parliament has an information technology security policy as well as an electronic mail policy and guidelines. These documents are regularly reviewed, with the most recent reviews in 1999. The information technology security policy ensures that the parliament’s computing environment and data stored within it are protected. The email policies and guidelines establish the guiding principles for the use of email in the parliamentary environment. In addition, the parliamentary departments regularly reinforce to staff the policy and practices relating to email and Internet mail through the issuing of staff circulars and staff newsletter articles. In respect of senators and members and the staff of senators and members, information circulars and guidelines have been distributed in the past. But given the movements in staff and the fact that most of our staff work for the majority of the time in electorate offices, the policies and practices may not be as widely known or as well understood as we would all like.

However, I would expect this matter would shortly be considered by the Presiding Offices Information Technology and Advisory Group, POITAG, of which the honourable member for Chifley is a longstanding and valued member.

AUDITOR-GENERAL’S REPORTS

Mr SPEAKER—I present the Auditor-General’s audit report No. 38 of 1999-2000 entitled Performance Audit—Coastwatch, Australian Customs Service.

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

That:

(1) This House authorises the publication of the Auditor-General’s audit report No. 38 of 1999-2000 and

(2) The report be printed.

PAPERS

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

MINISTERIAL STATEMENTS
2001 Census of Population and Housing

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (3.29 p.m.)—by leave—I wish to inform the House that the Australian Bureau of Statistics will conduct the next national census of population and housing on 7 August 2001. Many Australians will view this census as a very significant event, given that it takes place in the centenary year of Federation and that it is the first census of the 21st century. Australians 100 years from now will take a similar view of this particular census. Indeed, in one thousand years time, Australians will be able to use this census as a snapshot of how their country looked at the dawn of the passing millennium. We are celebrating the 2nd millennium of one of the most famous censuses of all time, the Roman census, which occurred around the time of the birth of Jesus Christ.

This census is the most wide-ranging collection ever undertaken by the Australian Bureau of Statistics and involves contact with each and every household in the nation. It provides a statistical snapshot of the whole population in terms of number, age and geographical distribution, plus a range of other statistics. The vast numerical output that the census generates is used for the benefit of all Australians. Government agencies at the federal, state and local level, social service organisations, churches, research institutions, businesses and private individuals use census information to help in their planning, administration, policy development, program evaluation and research. Census information also tells us about our community and about the society in which we live.

The government acknowledges that a census involves some intrusion and some workload for the community. However, the benefits of the census far outweigh the inconvenience of filling out the necessary forms. In
fact, it is a time investment of less than half an hour per household every five years. Australians understand these benefits and, as a result, the census has always received a very high level of public cooperation. It is essential that this continues so that we can ensure all Australians get the benefit of only the highest quality data. To make sure this happens, there will be a public awareness campaign before and during the 2001 census. This campaign aims to maintain high quality responses to the census by showing the public that the statistics are useful and that they will be treated with total confidentiality. The campaign will also promote the availability of help for any Australians who may, for language or other reasons, have difficulty completing the census form.

The Census and Statistics Act 1905 requires that census topics must be prescribed in regulations. So that the parliament and the general public are fully informed about the questions in the census, the Australian Bureau of Statistics has written an information paper entitled 2001 Census of population and housing: Nature and content which describes the topics to be included and the procedures for conducting the census.

For the first time an Australian census will include questions on access to computers and Internet use. Given the growth of the new economy and the potential impact of the World Wide Web on the lives of everyday Australians, the inclusion of these questions is most timely. Understanding just who has access to computers and who uses the Internet will be invaluable to both government and private organisations, particularly in regional and rural areas. The 2001 census will also repeat the 1986 question on ancestry to better identify the ethnic background of first and second generation Australians.

The government considers that the topics selected for the census represent a reasonable balance between the need for information, the appropriateness of the census as a means for collecting different data, the cost of the project and the need to ensure that it does not impose too great a burden on the public. The Australian Bureau of Statistics will conduct final testing for the 2001 census in the first half of this year to decide on the final definitions, the wording and the sequencing of questions. This 2001 census is the result of much research and extensive public consultation. I am happy to say that the government has decided to accept the thrust of the recommendations of the House of Representatives Standing Committee on Legal and Constitutional Affairs entitled Saving our census and preserving our history. The government agrees with the standing committee that saving name-identified census information for future research, with appropriate safeguards, will make a valuable contribution to preserving Australia’s history for future generations.

The government also recognises the historical value of this sort of information, particularly with the 2001 census coinciding with the centenary of Federation, and considers the data will be a valuable commemorative activity and a gift to future generations from the nation of today. For this reason, the government has decided to retain name-identified census information from the 2001 census, but only from those people who agree to their information being kept. In other words, the census will have an opt-in clause. This means that Australians will have to specifically agree to have their name-identified census data being kept for a closed access period of 99 years. During this time no-one will have access to the information. The parliament has considered and accepted the necessary legislative changes to effect this one-off retention of name-identified census data of Australians who have chosen to be part of this initiative.

For the information of members, I table the Australian Bureau of Statistics information paper and the government response to the Saving our census and preserving our history report. The regulations specifying the matters to be included in the 2001 census, in accordance with sections 8 and 27 of the Census and Statistics Act 1905, were tabled on 3 April 2000.

Mr Snowdon interjecting—

Mr SPEAKER—The member for Northern Territory is warned.

Mr KELVIN THOMSON (Wills) (3.36 p.m.)—I thank my opposition colleagues for
supporting me in this debate. I do not know if it is the most important one we have had in 2,000 years, but their support is much appreciated. The Labor Party supports the recommendations made by the Standing Committee on Legal and Constitutional Affairs in their report titled Saving our census and preserving our history. The Labor Party believes, as was concluded by that committee, that the retention of name-identified 2001 census information and its release after 99 years will make a valuable contribution to preserving Australia's history for future generations. The retention of name-identified 2001 census information will be of great assistance in years to come in genealogical studies, historical studies and sociological studies. The data acquired from the name-identified 2001 census information will also assist in conducting genetic research and epidemiological research.

The assurance of confidentiality is also necessary to ensure the truthfulness and accuracy of responses to census questions. The Labor Party recognises that the Australian Bureau of Statistics raised concerns with the Standing Committee on Legal and Constitutional Affairs about the effect the retention of census information may have on the accuracy and reliability of responses to the census questions. The ABS is to be congratulated on its standing in the statistics community and supported in its efforts to continue being ranked among the very best of statistical agencies in the world. The concerns of the Australian Bureau of Statistics in relation to the 2001 census can be addressed through households having to choose whether or not to opt into the scheme to store name-identified 2001 census information. If households do not wish their name-identified 2001 census information to at any time become public, it should not. This should encourage people to give truthful and accurate responses to the census questions. I understand that the ABS and the Privacy Commissioner are working together in relation to these matters.

The method by which consent is given must be designed in a way which ensures that households understand what they are consenting to, that the views of all members of a household are considered and that households are free to decide whether or not to opt into the scheme to store name-identified 2001 census information for a 99-year period. The ABS and the Privacy Commissioner deserve our support in this work. The government has also adopted the recommendation of the Standing Committee on Legal and Constitutional Affairs that the census records be stored for 99 years. This is considerably longer than the usual 30 years for most archive material. The method by which the named census information is stored must also be appropriate to ensure that the privacy of households is maintained. The National Archives of Australia must be supported in this regard.

The Minister for Financial Services and Regulation states that the government will conduct a public educational campaign. That campaign needs to be clear, extensive and informative. The campaign must encourage people to give truthful and accurate responses to the census questions. The educational campaign needs to ensure that it is known that only the census forms completed by those households which explicitly consent to the storage of census information will be kept. That needs to be communicated effectively to all households. The educational campaign needs to be informative. The benefits of the storage of named census information needs to be communicated together with the requirement for households to explicitly consent to the storage of those forms. Households should also be reminded of the other uses of the census information, including its use in formulating public policy and, accordingly, the need for responses to the census information to be truthful and accurate. The Labor Party believes that the results of the 2001 census should be carefully analysed before any decision is made in relation to the retention of named information collected in any subsequent census.

Finally, let me note that politicians are often accused of being short-sighted and not able to see beyond the next election. As you can see, what is being put into effect here represents a proposal for the next 100 years. As I have said previously, I hope that in the meantime the earth does not get hit by a meteor or we do not succumb to greenhouse gas
emissions or have some of the more gloomy prognostications overcome us, so our successors can enjoy the benefits of this forward planning.

MATTERS OF PUBLIC IMPORTANCE
Indigenous Australians: Reconciliation

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

The need for a sincere approach by the Prime Minister to the issue of reconciliation with indigenous Australians.

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

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

Mr MELHAM (Banks) (3.41 p.m.)—I rise to speak on the issue of reconciliation and the role of our Prime Minister in dealing with this most important of issues. None of us likes accepting that we got things wrong. It takes humility, it takes eating a bit of humble pie, it takes strength and courage to face our own mistakes. But this country needs that humility, that strength and courage right now. Everybody out there wants to resolve the issue of the stolen generation. In electoral terms, these debates come and go. The emotion and energy flare and wane. But this issue, that of the stolen generation and wider reconciliation, is about us as a nation. I heard the Governor-General, Sir William Deane, best encapsulate this when he delivered the inaugural Vincent Lingiari Memorial Lecture in August 1996. He said:

It should, I think, be apparent to all well-meaning people that true reconciliation between the Australian nation and its indigenous peoples is not achievable in the absence of acknowledgment by the nation of the wrongfulness of the past dispossession, oppression and degradation of the Aboriginal peoples. That is not to say that individual Australians who had no part in what was done in the past should feel or acknowledge personal guilt. It is simply to assert our identity as a nation and the basic fact that national shame, as well as national pride, can and should exist in relation to past acts and omissions, at least when done or made in the name of the community or with authority of government. Where there is no room for national pride or national shame about the past, there can be no national soul.

Australia is a proud nation. But there is a sense of shame out there at the moment. The sense of pride is missing and the gloom of shame envelops us all, because we as a nation have not been big enough to admit our past faults and apologise for them. That is not to say we have not tried. All around Australia since the Bringing them home report was released in mid-1997 there has been a public outpouring over our mistakes. Many of those mistakes did not arise from any endeavour to do the wrong thing but, rather, from misguided, if sometimes well meaning, views about what to do at the time. But they remain mistakes. The Bringing them home report says at page 5:

A common practice was simply to remove the child forcibly, often in the absence of the parent but sometimes even by taking the child from the mother’s arms.

Those mistakes had ramifications. As Michael Long told us in the Age yesterday:

It’s like dropping a rock in a pool of water and it has a rippling effect.

Page 3 of the Bringing them home report clearly tells us of this rippling effect:

For individuals, their removal as children and the abuse they experienced at the hands of the authorities or their delegates have permanently scarred their lives. The harm continues in later generations, affecting their children and grandchildren.

In no sense has the Inquiry been ‘raking over the past’ for its own sake. The truth is that the past is very much with us today, in the continuing devastation of the lives of Indigenous Australians. That devastation cannot be addressed unless the whole community listens with an open heart and mind to the stories of what has happened in the past and, having listened and understood, commits itself to reconciliation.

Some of us have listened. In our local towns and shires, businesses, councils, churches, schools and community groups—men and women, young and old—have sought to listen as a community. We have, in our own little ways, sought to make a humble apology. This comes not from a sense of guilt but from a sense of needing to right a wrong. For
a lot of people this has not been an easy process. Some of our own forebears were employed to undertake the actions that we must now recognise as mistakes; some of our forebears did the work that was the subject of the Bringing them home report.

This morning I listened to Mr Lang Deane on the ABC. Mr Deane was the son of a police officer in Victoria who was directed to protect the welfare officers who were separating Aboriginal children from their parents. The effect of having to do this had a devastating impact on Mr Deane’s father. He said this about his father:

He would come home from duty—he was a very tough policeman, but he was a kind-hearted man; very tough—and he would take his helmet off and sit down in the usual spot he did when he came off duty, and on these particular days, he would be weeping. And I would ask him, ‘Why are you crying, dad?’ and he would tell me, ‘I can’t tell you son, you wouldn’t understand, but I will tell you this: never be a policeman, it’s a dirty job.’

Prime Minister, the likes of Mr Deane and his father are very decent people. They have recognised the mistakes of the past with a lot of courage and strength and with a certain humility. While we on this side of the House do not like it, you are the Prime Minister. That office requires an undertaking of certain responsibilities and decisions. It also requires humility, compassion and a willingness to admit to being wrong. I simply say today: for the sake of all of us, have another think about this issue. Rarely in political life is anything more powerful than a humble politician. The occupier has the obligation and the duty to listen, respond and grow in that office. But this Prime Minister has done nothing but diminish that office and diminish our nation as a result. Instead of broadening the Australian public’s understanding of reconciliation, the Prime Minister has instead sought to confuse and mislead us. He has sought to divide us at a time when his office placed on him a great responsibility to unite us. Instead of leading us, he has abandoned us.

If the Prime Minister needs examples to show him how to lead, there are plenty of countries that have come to grips with their past and are moving forward. The Canadian government has apologised to its First Nations people and has established an Aboriginal Healing Foundation as a compensation mechanism. The Waitangi Tribunal in New Zealand provides a mechanism to protect the rights of Maori people under the 1830 Treaty of Waitangi. Several Scandinavian countries have set up processes to address the impact of past policies on the Sami people, among those an apology from the King of Norway. The list goes on to include the United States and the Latin American countries. But the Prime Minister ignores them all and abdicates the duty of his office to lead us. Instead of offering statesmanship, he offers poll-based politics. He has grabbed hold of the polling undertaken for the Council for Aboriginal Reconciliation and used it for what he believes is his own political gain.

The Prime Minister has not sought to explain to the public the importance of reconciliation. He has not sought to explain the hurt of the stolen generations and the current ramifications of past policies. Rather, he has sought to shatter the fragile process of recon-
conciliation at a time when our nation needs above all unity and leadership. In response to the *Bringing them home* report, this government has sought to diminish the importance of the number of the stolen generations and of the wounds that need healing. We have seen the minister, Senator Herron, wilfully misinterpret the numbers of those affected by separation policies. He claims in his submission to the Senate inquiry into the stolen generations that only 10 per cent suffered from these policies.

He uses an Australian Bureau of Statistics survey that is fundamentally flawed. Firstly, it was only a sample and, therefore, has in-built problems of reliability. Secondly, the sampling was undertaken in 1994, by which time many of the people affected by those policies in the height of their practice would have died, tragically because of the lower life expectancies that indigenous people experience. Thirdly, between 1991 and 1996 there was a huge increase of 33 per cent in people declaring their aboriginality in the census. Only those who declared their indigenous descent in 1991 were surveyed by the ABS. If the Prime Minister and his minister require rigorous analysis of the conclusions of the *Bringing them home* report, they should not rely on figures with fundamental problems of legitimacy. There can be little doubt that the figure is higher than 10 per cent. But, more importantly, the Prime Minister and his minister refuse to recognise the fact that, for every one person directly affected by these past policies, many more have suffered because of that person’s removal, whether it be their parent, child, brother, sister or friend.

Understanding and compassion are required, Prime Minister, not undermining and cynicism. Both the Chair and the Deputy Chair of the Council for Aboriginal Reconciliation, the Prime Minister’s own appointees, believe that the reconciliation process has been greatly harmed by the insensitive attempts to deny the validity of a term such as the ‘stolen generations’ through mathematical arguments and that this has simply aggravated wounds that the reconciliation process is trying to heal. The ineptitude of the government’s very limited response to the *Bringing them home* report was revealed on Monday. Time and time again the minister has raised the wonderful benefit to the stolen generations of the government’s package of $63 million delivered at the end of 1997. Yet we find out that, more than two years on, over halfway through the four-year term of the package, very little has actually been spent. Only five per cent of the $17 million allocated for emotional and social wellbeing regional training centres has been spent. Only 10 per cent of the $16 million allocated for specialist indigenous counsellors has been spent. Only three per cent of the $5.9 million allocated for parenting and family wellbeing has been spent.

These figures truly imply that the issue of the stolen generations is not a priority for this government, despite the minister’s claims. The response was inadequate as it was, but not even this inadequate response has done much to alleviate and assist with the hurt of the stolen generations. Prime Minister, you gave a commitment on election night to the Australian people. You committed yourself to true reconciliation. We on this side of the House may not have liked the fact that you won the election, but we cheered you when you made the commitment to resolve an issue that is central to our identity as a nation. It is the benchmark you set yourself. To date, you have utterly failed to live up to that benchmark. *(Time expired)*

Mr LIEBERMAN (Indi) (3.56 p.m.)—How unfortunate it is for us to sit in the House and hear the shadow minister talking for the alternative government, for the Labor Party, in such terms when he had a wonderful opportunity to put aside the divisive politics so identified with the shadow minister and some of the members of the Labor Party and to write a new page in a relationship of conciliation and of negotiation with all members of parliament. But he missed the opportunity, and that is a shame. I do not think he is beyond redemption, because I know in his heart he is a good man. But he has, for one reason or another, accepted the responsibility of being a shadow minister in this important portfolio and of believing that the normal strategies of opposition should apply to having that important shadow portfolio—the normal policy of the opposition to oppose, to dis-
credit and to show that the government of the day is not performing.

In fact, in relation to reconciliation and looking after and improving the position of Aboriginal people, the shadow minister should not be taking those traditional opposition techniques and should be adopting a much more conciliatory and supportive role. He does not. I do not believe there is one member of whatever political colour in this parliament, in the Senate or the House of Representatives, who would genuinely believe that what the member for Banks said so unfairly about our Prime Minister is in fact true. For the shadow minister, the member for Banks, to say that our Prime Minister, John Howard, has diminished his office and is actively seeking to confuse, to divide, to mislead and to abandon is wilful, irresponsible, totally unjustified and harmful to the most disadvantaged people in Australia—our indigenous friends, our brothers and sisters, our Aboriginal people.

Many of them do not have the opportunity to sit down in full council with all of us and to swap notes, because they live in isolated areas. Many of them, unfortunately, are not completely able to read and to understand the English language. So they rely on the word passed from one to another. When a white shadow minister says to Aboriginal people the things that we heard the white shadow minister, the member for Banks, say today, it causes them great hurt and concern and a feeling that their security, so long threatened by the decisions and actions of white people, is going to be further threatened.

All of us in this parliament should be working to support the Prime Minister—and I would like to say the Leader of the Opposition—in the quest to achieve policies and programs that will overcome the disadvantage of our Aboriginal fellow Australians and achieve true reconciliation. Let me illustrate one of the most unfortunate things about the policy, attitude and approach of the opposition to true reconciliation, to show that their words are hollow and are not justified. Their criticism of the Prime Minister is dishonourable. Last year our Prime Minister put forward in a referendum for the people of Australia to consider a preamble to our great Constitution. The words the Prime Minister asked the Australian people to endorse in an amendment to the Constitution were:

... honouring Aborigines and Torres Strait Islanders, the nation’s first people, for their deep kinship with their lands and for their ancient and continuing cultures which enrich the life of our country.

I had no trouble voting yes for that and I guess most of us in this parliament would have deeply wanted to support the Prime Minister in that. I thought that we would have seen the member for Banks, the alternative minister for Aboriginal people, the shadow minister, in the trenches with the Prime Minister wanting to support the campaign for that amendment to the Constitution. No, that was not to be the case. It brings no credit to the member for Banks that he went against his own party’s policy, his own leader, in October last year and called for the Australian people to vote no to that amendment to the Constitution.

I think those words and those actions speak for themselves. I strongly wish that the member for Banks would come into this parliament next week and apologise—apologise—for the lost opportunity—and, hopefully, announce that the opposition would support the Prime Minister if he were to put the preamble question again to the Australian people at an appropriate time. Even though I am leaving this place at the end of this parliament, I will be out there in the trenches hoping that sort of referendum question will be recommitted. I am proud that John Howard wrote it and believed that it ought to be in our Constitution. I think the member for Banks is a big enough man to come in next week and say, ‘I’ll cut a deal with you on that.’ I hope he will. I am giving him a chance to do that.

So many words have been said over the last few weeks. This week has been a difficult week—let us be fair and honest—in dealing with a most complex and sensitive issue. The Prime Minister today showed great humility when he said in question time he was sorry that the words that were used in the document had caused hurt to some people. I accept that; why can’t the member for Banks? Why can’t he accept it? Let us move on to the future. Tim Colebatch—and I do
not always agree with Tim, but I have known him for a long while—wrote in the Age today an article giving both sides of politics a blast on reconciliation. I enjoyed reading it, Tim. He supports the need for us to look to the future and not dwell on the past. He does say after criticising us:

Despite the conspiracy theorists, there is no reason to doubt John Howard’s statement that he cares as much about Aboriginal Australians as he does about other Australians ...

That is the nub of it. Surely that is the nub of it. For as long as the opposition continues to try to convince sections of Australians that the Prime Minister does not believe that sincerely, we are going to be retarded in what should be a unanimous quest for true reconciliation. It is a matter of logic. If the argument is sound, if we all believe we should achieve reconciliation and if writers like Tim Colebatch, who often criticises the government, know that the PM is sincere about that, why don’t we get on with the job of doing the things we need to do such as helping to settle the final terms of the reconciliation document?

The Prime Minister is working very hard on that document. I know the member for Banks has made a contribution and continues to do that, as does the parliamentary secretary who is at the table, my colleague the member for Murray. There are a lot of good people out there. There is Gus Nossal, who I have known for years. He is a great Australian. Gus is one of those fellows who you just like to be around. He is putting his heart into it. Then there is Evelyn Scott and all those people. They do not want these stupid divisive political strategies. It does not help them in their task.

John Howard has said this problem is so deep, there is so much to be done, all of the government has to take responsibility. I was reflecting before I spoke today that the Prime Minister has got nine key ministers involved in a whole of government approach dealing with the urgent issues of reconciliation. Let me quickly mention some of them. There is Peter Reith. What a fantastic job he is doing with the partnerships program in employment and training. There is David Kemp, with his efforts in literacy for Aboriginal people. What a fantastic effort. I am very proud of it.

Then there is Philip Ruddock. What could you say? How does he get through the workload? You see him loaded down with all those files. Ruddock spends probably all of his waking time subconsciously on the issue of reconciliation as well. You know he is dedicated and he is making good progress. John Herron has had a hard time this week but he is a dedicated man. His insistence that we concentrate on health, housing, unemployment, education and training is right. Those are the issues that all Australians want us to focus on as a whole government.

Tony Abbott in employment is making a great contribution, helping Jocelyn Newman to develop a situation where Aboriginals have true potential to get off welfare. How would you like to be born doomed to stay on welfare until the day you died? You would not. No Australian would like that. Tony Abbott and his team are working to help the Aboriginal people there. I think Michael Wooldridge is Australia’s best ever minister for health. As a former state health minister, he has negotiated fantastic agreements with the state health ministers. On health issues, we need to work together as a family—state, federal, local, all of us. Wooldridge has been at the leading edge in Australian health politics in developing effective agreements that will provide performance. My good friend Barry Wakelin is about to bring a report in—

Mr DEPUTY SPEAKER—The member for Indi has had considerable latitude in the use of people’s names. I ask him to now refer to members by the correct title.

Mr LIEBERMAN—I apologise, Mr Deputy Speaker. The member for Grey is about to bring in a fantastic report on health for Aboriginal people. It is going to be a beauty. I have heard the member for Grey talk about it. Just wait and have a look at it. It is very practical. I am sure. Daryl Williams, the quiet achiever, the first law officer, spends so much of his time under John Howard’s direction working to assist with the indigenous issues of Australia. As Treasurer, Peter Costello has supported the allocation with the PM of more than $2 billion this year
to programs to help our Aboriginal brothers and sisters. I could go on and on.

But why didn’t the member for Banks, in the spirit of reconciliation, acknowledge some of that? That is all he had to do. Next week I want the member for Banks to come in—and I will move a suspension of standing orders for him—and get up and acknowledge just some of it. That will be the day. Put your heart in it and forget the divides of politics. It does you no good. It does Australia no good. We do not need it. We have copped a bit of criticism this week for some words that I would never have used. The Prime Minister said that he did not like them either. That is what he was virtually saying today, and he apologised. We deserve criticism when that happens, but don’t make it the focus, for God’s sake. The focus has to be the welfare and the future of all Australians, and that includes the Aboriginals of Australia. They deserve better. I think my time is just about up, but I am looking forward to the next contribution from a member on the opposition side who might get up and say, ‘We’ll cut a deal with you. We agree with you. Let’s turn the page. Let’s start this afternoon.’

Ms HALL (Shortland) (4.11 p.m.)—It is with sorrow and shame that I stand to support this MPI. The contribution of the last member, the member for Indi, was quite dishonest. Reconciliation is not about literacy. It is not about health. It is not about any of those issues.

Mrs Gallus—Mr Deputy Speaker, on a point of order: I ask the member to withdraw that statement. It was calling into disrepute a very honourable member of this chamber.

Mr DEPUTY SPEAKER (Mr Nehl)—I thank the honourable member. Yes, on consideration, I do agree with the point of order and I do ask the honourable member to withdraw that comment.

Ms HALL—Yes, Mr Deputy Speaker. Reconciliation—

Government members interjecting—

Mr DEPUTY SPEAKER—Please say, ‘I withdraw.’

Ms HALL—I withdraw. These are citizens’ rights. These are rights that every Australian should have. Every Australian should have the right to good health. Every Australian should have the right to access these very important things. This is not reconciliation. Reconciliation starts with saying, ‘I’m sorry.’ That is all. They are not big words, but they mean a lot. The Prime Minister stands condemned for his insincerity and failure to make a genuine commitment to reconciliation with indigenous Australians. This is a real tragedy for all Australians and for Australia as a nation. It is a matter of national shame. Australia needs a sincere and compassionate Prime Minister if the wounds of the past are to heal and if we are to move forward as a nation.

The Prime Minister has not only walked away from his commitment to reconciliation, a commitment that he reaffirmed in 1998 on the night he was re-elected, but also engaged in the worst kind of political subterfuge possible. This poll driven Prime Minister has used wedge politics to divert Australians from his draconian and unpopular policies. Not only is he introducing a GST that will inflict pain on all Australians; he is now attacking the most vulnerable group of people in our community, people who ask us only to say sorry. But Australians are too smart to be fooled by the Prime Minister. They know what will happen if he continues to go down this path. The Prime Minister has chosen to walk away from the commitment he made to Aboriginal Australians purely and simply because opinion polls say that it will advantage him politically, not because it would be the best thing or the right thing for Australia. Where is your leadership, Prime Minister? Where is your commitment to doing the good and decent thing simply because it is the right thing to do?

Australia needs a Prime Minister who makes the commitments Kim Beazley does—a person who puts decency above political expediency, a person who shows compassion, a person who can say sorry, a person who can see the damage that the mandatory
sentencing laws are causing, a person who recognises the existence of the stolen generation and a person who has a real and genuine commitment to reconciliation, not a commitment to making sure that indigenous Australians have the same rights as you and I and other Australians. Australia needs a Prime Minister who knows that if Australia is to flourish as a nation we must be an inclusive society, not a divided society. One of the first steps that must be taken if we are to become a truly inclusive society, a society where all Australians are valued equally, is for our Prime Minister to make a genuine, a real, a sincere commitment to reconciliation with indigenous Australians. Australia does not need or deserve a Prime Minister who is trapped in the 1950s. We do not need a Prime Minister with the values and the prejudices of the 1950s—the values and prejudices that led to Aboriginal children being snatched from their families.

I grew up in the 1950s and 1960s. I lived on the North Coast of New South Wales. I lived next door to the local hospital. I saw the Aboriginal children being taken in there and taken away from their parents. Then in later years I saw the problems that this caused for them when they were at school. Still those problems go on in that area. Mr Deputy Speaker Nehl would be very aware of the problems that exist in that area because that is the area he represents. Children are still not getting the same access to education. They still do not have any jobs in that area. This will not change. This will not change until we as a nation can say sorry.

By his silence, the Prime Minister is endorsing what has happened in the past when these children were snatched away from their families. Every social indicator in our society shows how disadvantaged Aboriginal Australians are. This will not change. It will not change until we as a nation commit ourselves to reconciliation. As long as we continue to go down this track of blaming the victim things will remain the same.

When we look at the issue of education we find that 60 per cent of Aboriginal children leave school before they are 17. Two per cent of Aboriginal people have bachelor degrees. Eleven per cent of non-indigenous children have bachelor degrees. The 1996 census data shows that 23 per cent of Aboriginal people were unemployed in comparison to nine per cent of non-indigenous people. That is close to 34 per cent without CDEP. Life expectancy is 18 years less than for other Australians. This is a national tragedy. We as a country cannot let this continue. You can pour all the money in the world into it and establish program after program, but that will not change anything until the hurts of the past are dealt with, until the Prime Minister can come into the House and move a motion saying sorry to the Aboriginal people of this country. As I have said, the level of disadvantage will not improve until we have more than lip service and dollars being thrown at the issue. We need a Prime Minister who can say sorry.

It really saddens me to have to speak in this debate on the matter of public importance. It is not hard to say sorry. It actually feels good to say sorry. As a friend said to me at the weekend, ‘It has a cleansing feeling. It is part of the process of healing. It is good for the soul of Australians. It is good for Australia as a nation.’ I say sorry again to all Aboriginal people in this country and to all indigenous Australians for the hurts and traumas caused to them in the past. I join with Kim Beazley in saying sorry. I join with the shadow minister in saying sorry. I acknowledge the stolen generation. I commit myself, along with all members on this side of the House, to reconciliation. Prime Minister, it is time to say sorry. It is time to say goodbye to political rhetoric. It is time to say goodbye to wedge politics. Sit down with Aboriginal Australians and say sorry and make a genuine and real commitment to reconciliation. (Time expired)

Mr Baird (Cook) (4.21 p.m.)—I rise to speak in the debate on the matter of public importance which has been brought before us. I note the comments from the member for Banks and the member for Shortland in addressing this most important of issues. The situation is that I am sure that the objective for members in this House is to try to advance reconciliation in this country and to try to advance the welfare of our most disadvantaged group in the Australian commu-
nity—Australia’s Aborigines. If that is the objective, if you truly want to bring about reconciliation, why would you bring into this House such a divisive motion as the one today?

If you trace the process of reconciliation in South Africa it was not about bringing wedges between political groups. It was about bringing people together. Instead of this divisive approach to politics we should have a hand reaching across the chamber, and us saying, ‘Let us together try to make a difference. Let us together try to recognise the great, and in some cases insurmountable, problems that face Australia’s indigenous community. Let us see if we can go on and find some real solutions.’

But what is it about? It is about political rhetoric. It is about attacking the Prime Minister. It is about trying to score cheap political points. If you are sincere, and I know that many of you are sincere, why not try an approach which really means something instead of just a whole political process. I have heard the attacks on the Prime Minister. I have seen them in the media. As someone who has known the Prime Minister for some 20 years, I really think these types of attacks are appalling. I might not agree with the Prime Minister on all things, but one thing I can tell you is that the Prime Minister is in no way a racist individual. He shows a considerable amount of compassion, and he is working in terms of issues of reconciliation and has expressed many times his concern about what has happened to Australia’s indigenous people. So let us move on from these divisive politics.

I for one was very concerned with the report Bringing them home. I thought it was appalling. I thought it represented a blight on Australia’s history, albeit that many of the people involved did it for what they thought were the right reasons at the time. There are other issues going on right now in the Northern Territory. I personally am opposed to mandatory sentencing, and that has been quite public. But, if we are going to achieve real solutions, let us look at some practical ways of doing that. Instead of saying that this government is racist, or whatever you are trying to imply, let us look at the reality of what this government has achieved. In fact, this government, in trying to assist the Aboriginal community, has allocated the highest level of funding in real terms that we have seen in Australia’s history.

Some $2.3 billion has been allocated to the welfare of the Australian Aboriginal community. Some may question whether it has been rightly allocated, whether it should have been put into one program versus another. But you were there for 13 years and you had the task as well. You know that, at the end of those 13 years, the problems of the Australian Aboriginal community are bigger than ever. It would be simplistic for any political party to say, ‘We have the answer. We’re the only ones with a moral conscience here and know how to address the issues.’

We well remember Graham Richardson and his great sojourn through the outback to talk to Aboriginal communities. I am sure that, at the bottom line, he was concerned by what he saw, albeit amongst a great flotilla of media. What was achieved in terms of that particular exercise? Very little. But what has been achieved under this government has been substantive. The program under Peter Reith to assist in relation to Aboriginal employment has been significant and was instituted under this government, under this Prime Minister. I have a friend who is in charge of bringing the program together. He is an outside consultant, and he said that it was a difficult exercise getting companies to commit to bringing Aboriginal people together and to providing employment for them. But, nevertheless, he said the direction of the Minister for Employment, Workplace Relations and Small Business, Peter Reith, for making it work was imperative.

Developing these programs was a first. Last week, the Minister for Education, Training and Youth Affairs outlined a literacy program for Aborigines, which I think is an excellent program along with the housing program. We have never seen before the level of funding that has been put into these programs recently. Miranda Devine in today’s Daily Telegraph said:

If you accept the widely promoted view that the Federal Government is racist and “mean of spirit, mean of heart”, as Paul Keating keeps say-
ing, then how do you explain the unprecedented expenditure of taxpayers’ money on bread-and-butter items aimed at real improvements in Aboriginal lives.

This financial year, alone, $2.24 billion is being spent on indigenous programs.

It’s being spent, not on fancy words and empty symbols, or even press secretaries who know what they’re doing, but health, education, housing and employment. It’s water filtration and sewerage treatment plants in remote communities. It’s helping a town build itself a swimming pool with clean, chlorinated water that will help clear up Aboriginal children’s ear infections.

Then this totally independent journalist, whom I have seen on many occasions give a serve to the government, outlines the types of initiatives that we have seen. She says that the government is:

Spending $63 million to help counsel and reunite Aboriginal children who were separated from their families.

... ... ...

Spending $360 million this financial year on indigenous housing and infrastructure;

Spending $40 million over four years for the ATSIC/Army Community Assistance Program which helps improve water, sewerage, power systems, roads, airstrips and build community housing for indigenous Australians in remote communities.

... ... ...

Spending $185.8 million annually on indigenous health programs, a real increase of 49 per cent since 1995-96;

Spending an extra $16.3 million this year on indigenous education programs, focusing on literacy, numeracy, school attendance rates, poor hearing and other health issues.

The article says:

Herron and the Federal Government will ultimately be judged not on vague dishonest rhetoric—much of which we have seen here today in this debate—but on whether or not their policies do manage to improve the lives of indigenous Australians.

That really says it all. What are our objectives? Are our objectives simply to come in here and score a few political points and brand people as racist, or do we have a genuine sustained interest in the welfare of the most disadvantaged group in the Australian community? There is no doubt on any criteria—and you all know this—that they are the most disadvantaged group in terms of life expectancy, health, suicide rates, infant mortality, housing, et cetera. By every criteria that we have, they are at the bottom of the line. What do we do in terms of trying to improve the welfare of the Australian Aborigi-nals? Do we try to develop a concrete program for reconciliation? Certainly the Prime Minister has done so. He has a minister who has a specific responsibility for reconciliation, and Philip Ruddock’s track record in terms of his sensitivity to the indigenous community and reconciliation is first rate, and he has the charge of it.

The council was set up with considerable funding to look at the program, at what can be done and at what can be achieved. Each minister—as the member for Indi went through systematically—has got a specific responsibility to lift the lot of the Australian Aboriginal community.

We know that, if this debate is held in 20 years time, we will not have suddenly achieved miracles, but what we can do is change the attitude of the people in this House—change it away from simply political point scoring and turn it into reality, the reality of being about the substance rather than the form which is the normal tradition of the Labor Party. Let us get on to providing real housing, real health and real education programs that make a difference in the Australian Aboriginal community.

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

CUSTOMS TARIFF AMENDMENT BILL (No. 3) 1999

Report from Main Committee

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

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.

Third Reading

Bill (on motion by Dr Stone)—by leave—read a third time.
SOCIAL SECURITY AND VETERANS’ ENTITLEMENTS LEGISLATION AMENDMENT (MISCELLANEOUS MATTERS) BILL 2000

Report from Main Committee

Bill returned from Main Committee without amendment, appropriation message having been reported; certified copy of bill presented.

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.

Third Reading

Bill (on motion by Dr Stone)—by leave—read a third time.

BILLS RETURNED FROM THE SENATE

The following bills were returned from the Senate without amendment or request:

Fisheries Legislation Amendment Bill (No. 2) 1999
Telecommunications (Numbering Charges) Amendment Bill 1999
Road Transport Charges (Australian Capital Territory) Amendment Bill 2000
Interstate Road Transport Charge Amendment Bill 2000
Interstate Road Transport Amendment Bill 2000
Albury-Wodonga Development Amendment Bill 1999

A NEW TAX SYSTEM (TRADE PRACTICES AMENDMENT) BILL 2000

Consideration in Detail

Consideration resumed.

Mr DEPUTY SPEAKER (Mr Jenkins)—The question before the House is that the bill be agreed to.

Bill agreed to.

Third Reading

Bill (on motion by Dr Stone)—by leave—read a third time.

COMMITTEES

Public Works Committee Report

Mrs MOYLAN (Pearce) (4.35 p.m.)—I seek leave to say a few words about the 63rd General Report of the Public Works Committee that was tabled in the last sitting week, before I move to the report on the ABC Sydney accommodation project in Ultimo.

Leave granted.

Mrs MOYLAN—The report which I tabled in the last sitting week was the committee’s 63rd General Report, covering the period 1 January to 31 December 1999. During that year the committee met on 50 occasions to conduct public meetings, inspections and private meetings. Meetings were held in most capital cities. The committee received 20 references during 1999 and tabled 13 reports. The committee had concluded its inquiry into three of the unreported references before the end of the year, and the remaining references were received too late in the year for the inquiry processes to commence. I advise the House that the committee has concluded all but one of the inquiries listed on the Notice Paper and reports will shortly be tabled.

The total estimated cost of projects examined and reported on was more than $760 million. The committee’s operations during 1999 comprised 18 private meetings, 18 days of public hearings and 14 inspections, and it covered a range of facilities and properties in most states and territories of the Commonwealth.

In May we had an inquiry into the proposed construction of a replacement nuclear research reactor at Lucas Heights in Sydney. The committee undertook an extensive inspection of those facilities at Lucas Heights, including the high flux Australian reactor. Similarly, we had an extensive inspection of the RAAF base in Townsville, and we also looked at a major project for CSIRO in North Ryde.

The inspection of No. 4 Treasury Place in Melbourne, another of the committee’s works, revealed the existence of a number of heritage trees which looked like they were destined for the chop. I think we talked about this when I delivered that report. I am pleased to say that those trees are now not going to be removed as part of that restoration process for Treasury Place.

It is the committee’s policy to invite state and federal members of the parliament in
whose electorate proposed works are to be constructed to take part in these inspections that we do. I am pleased to report that on most occasions state and federal members have taken advantage of that opportunity.

In previous years it has been rare for the committee’s formal public proceedings to extend beyond one or two days, and that is due to the quality of the submissions and evidence that is presented to the committee and also the level of public support that has been received for the building and the works program. During 1999 the committee reported on two proposals. They were of unusual complexity and both required extensive hearings. One was in relation to Lucas Heights and the other was the inquiry into the staff colleges collocation project in Weston, ACT. That involved a call for decisions about Fort Queenscliff in Victoria. The committee deliberated on that for perhaps a longer time than normal because of the heritage aspects of that facility, which I am pleased to say have been taken into account. The committee is pleased to note that the project appears to be proceeding.

The committee also received references in relation to work on the Australian embassy building in Berlin. As in previous cases involving the construction of an overseas project, the committee’s task was made quite difficult by the provisions of the Public Works Committee Act, which does not allow the committee to meet overseas.

The eighth annual conference of Parliamentary Public Works Committees was held at Parliament House in Hobart and the committee was represented at that conference by the honourable member for Throsby, members of the secretariat and me.

Finally, I would like to pay tribute to the work of the secretariat and my colleagues on the committee. In particular, I would like to thank the deputy chair, the honourable member for Prospect, for her support in maintaining the committee’s long tradition of bipartisanship. I would also like to take a moment to thank Mike Fetter and Bjarne Nordin. Bjarne was the secretary for some time and recently retired. Mike Fetter, similarly, has served this parliament for 20 years in the secretariat and will leave the job shortly.

The report demonstrates that the committee and the secretariat worked very hard during the year in discharging the duties and responsibilities enshrined in the Public Works Committee Act. I commend the report, which has already been tabled, to the House.

Public Works Committee Report

Mrs MOYLAN (Pearce) (4.40 p.m.)—On behalf of the Parliamentary Standing Committee on Public Works, I present the 2nd report of the Committee for 2000 relating to the proposed ABC Sydney accommodation project, Ultimo, NSW.

Ordered that the report be printed.

Mrs MOYLAN—by leave—The report I have just tabled concerns the proposed construction of an office and studio tower on the vacant southern portion of the ABC’s Ultimo site, together with adaptation of the existing radio stations building. These works will enable the majority of the ABC’s Sydney operation to be co-located at the Ultimo site. The functions remaining at the Gore Hill site are those that are essentially stand-alone—drama production, outside broadcasts and construction and prop storage. The accommodation project is estimated to cost $109.5 million. The committee has recommended that the project should proceed.

The committee inspected some parts of the Gore Hill complex prior to the public hearing and arrived at two firm conclusions. The first conclusion was that parts of the complex were cramped, cluttered and unsafe, making conditions for people working at the site very unsatisfactory. The second conclusion was that the Gore Hill complex would require major work over a number of years to ensure compliance with current building standards. A similar major overhaul would be needed to enable the efficient utilisation of modern technology. There is no doubt that improved accommodation is needed for many of the people and functions located at Gore Hill, and there are obviously a number of options on how this accommodation is provided.

The ABC advised the committee that new digital technology would enable the same source material to be delivered to audiences in a number of ways. This means, for exam-
ple, that someone who works in news could provide news for radio, television, online and emerging delivery platforms. The committee accepts the ABC’s proposition that there are efficiencies and benefits derived from co-locating people working on the same product.

The ABC proposes to finance the project by a combination of funds from its forward property capital budget, property related efficiency savings and borrowings. At the public hearing, a number of witnesses raised concerns relating to this method of financing the proposal. The committee questioned the ABC at length on this issue and is satisfied that the project is achievable with no call on existing program budgets or planned capital works funding.

Another issue raised by witnesses at the hearing was the interaction between the proposed building and a pedestrian corridor that may be developed along the eastern boundary of the site. The railway corridor that may become the pedestrian corridor was shown to the committee on inspection of the Ultimo site before the hearing. I returned after the hearing for a through examination of current pedestrian routes and the railway corridor. The inspections did not convince the committee that the ABC need change the proposed design, as advocated by some witnesses. It will be some time before the pedestrian network is completed and the design of the current entrance to the railway corridor is sufficient for the purposes of the ABC. It will be some time before the pedestrian corridor may generate the demand needed for the ABC to consider relocating the ABC Shop and cafe from inside the building to alongside the proposed pedestrian corridor.

Two groups of witnesses also raised issues to do with the local environment during construction. The committee has recommended that the ABC continue to have discussions with those affected by the construction and consider all options to ensure minimal disruption to the local environment. The committee also recommended that the ABC should further develop the possibility of site visits by students of local educational institutions to encourage good relations with neighbours. I commend the report to the House.

Mr FORREST (Mallee) (4.45 p.m.)—by leave—The member for Pearce has outlined the considerations in the report which have my support. I would like to take this opportunity to express my slight disappointment over the lack of willingness by the ABC to consider further extensions of its terrestrial transmission system, following the amendments to the Australian Broadcasting Corporation Act 1983, which was amended in 1998 to give them the additional responsibility over the terrestrial network. There is a long list of sites around Australia which, prior to the sale of the national transmission network, were registered for construction. These include sites at places like Manjimup in Western Australia; Hallet Cove in South Australia; Lilydale, Mangana, Meander, Elizabeth Town and Weldborough in Tasmania; Hopetoun in Victoria; Redlynch in Queensland; and Tu- mut in New South Wales. All of these sites, except Weldborough, were registered for ABC television extensions, and Weldborough was registered for local and national radio extension. The particular site which, I confess, I have an acute interest in is Hopetoun, set in the middle of the Mallee electorate.

In evidence, the ABC indicated that they had not have any capacity to extend this network. These particular sites are part of an announced minor extension—it is on the record. The communities that live in those locations now have an expectation that they are going to get an ABC terrestrial signal delivered to them. I am just a little bit disappointed that the ABC is not able to present a program on how it intends to deliver this. I support its need to improve the accommodation for staff. I inspected the Gore Hill site, and I was impressed with the commitment of the staff there as the conditions they are working under can be described only as unacceptable. It is testimony to the commitment of those professional people and of their desire to work for the national broadcaster that they have been putting up with those conditions for a long time. So whilst I support the need to co-locate and construct new modern
purpose-built facilities at Ultimo, I would be asking the ABC to consider its new obligations, under the amendments to the legislation, to consider putting some of the funds towards terrestrial access. It told the committee that those funds, which resulted from the part sale of the Gore Hill site, will be dedicated to its commitment for digital transmission. But there are still a large number of Australians who do not have terrestrial access to their signal now, and these include between 2,500 and 3,000 of my constituents who have been waiting a long time and now have some expectation that the ABC can deliver. I plead their case, and I expect the ABC might give much better consideration and more timely indication of when it is to deliver the announced minor extensions.

Mr LINDSAY (Herbert) (4.48 p.m.)—by leave—As a person with a background in television and radio broadcasting over many years, when I saw the facilities at Gore Hill that the ABC currently work in, I was shocked. It was like walking back into 1975. I think this report now addresses this particular concern. What is exciting about it is that the ABC is now moving down the path of convergence of the various media formats. That is going to make the production, availability and timeliness of material much more relevant and instantaneous. I also note that the Joint Committee on Public Works will be looking at ABC facilities elsewhere in the country, and particularly I am hoping that at some stage they will look at the studios in Townsville with a view to improving services there. I certainly commend the report.

Public Accounts and Audit Committee Report

Debate resumed from 16 March, on motion by Mr Charles:

That the House take note of the paper.

Mr CHARLES (La Trobe) (4.50 p.m.)—by leave—On behalf of the Joint Committee of Public Accounts and Audit, I speak to the committee’s report No. 373 entitled Migrant settlement services, Fringe benefits tax and Green Corps. This is our review of the Auditor-General’s report for the second half of 1998-99, and it was tabled in the House in the last sitting week.

The committee held a public hearing in August last year to discuss these issues with relevant Commonwealth agencies. I will briefly discuss each issue in turn. The audit report on Migrant settlement services at the Department of Immigration and Multicultural Affairs identified several serious management deficiencies. The committee’s review focused on contract management, strategic management, the oversight of migrant resource centres, accommodation entitlements and the accuracy of project objectives. Our report urges DIMA to improve its approach in these areas. Citizens and their elected representatives are entitled to expect that resources will be used effectively in delivering programs and that all clients will be treated consistently. In particular, the committee recommends that DIMA devise and implement clear guidelines concerning the accommodation entitlements of newly arrived migrants.

Audit Report No. 34 investigated the administration of the fringe benefits tax. That report suggested several measures to make administration more effective. At the public hearing, the committee focused on the community’s understanding of the tax, the Taxation Office’s knowledge of its client base and the issue of compliance costs. The community’s knowledge of and compliance with fringe benefits tax is relatively poor. One of the reasons for this situation is the complexity of the tax. In our report we recommend that the Taxation Office continue to monitor the cost of compliance and advise the Treasurer of opportunities to reduce the complexity of fringe benefits tax. This report also encourages the Taxation Office to continue its focus on the education of clients and to explore new ways of achieving better community understanding of the tax. The Taxation Office’s knowledge of its client base is another area that could be improved. We encouraged the Taxation Office to determine whether particular industry sectors within the small business community require special attention.

Finally, Audit Report No. 42 examined the establishment and operation of the Green Corps program. I take this opportunity to
commend all those who have contributed to the great success of this program. Documented feedback from participants supports my own observation that this is an excellent initiative. In order to maximise the effectiveness of the program, the committee recommends that analysis be undertaken of its cost effectiveness. Because the administration of the program is outsourced, it is critical that the department has sound contract management practices. The audit report noted that there was room for improvement in this area. The committee encourages the Department of Education, Training and Youth Affairs to continue to implement the Auditor-General’s recommendations.

I conclude by thanking, on behalf of the committee, those people who contributed their time and expertise to the committee’s review hearing. I am also indebted to my colleagues on the committee who have dedicated much time and effort to reviewing these Auditor-General’s reports. As well, I would like to thank the members of the secretariat who were involved in the inquiry: Dr Margot Kerley, the committee secretary; Ms Jennifer Hughson, Ms Rose Verspaandonk and Ms Maria Pappas. I commend the report to the House.

Ms GILLARD (Lalor) (4.54 p.m.)—In respect of this inquiry—upon which I served as a member of the Joint Committee of Public Accounts and Audit—and this report, I would like to make some brief remarks directing my attention to that section of the report which dealt with the establishment and operation of the Green Corps. As I think honourable members would be aware, the objective of the Green Corps program was to ‘give young Australians aged 17 to 20 the opportunity to demonstrate their commitment to the environment by contributing to high priority conservation projects while being provided with quality, accredited, on-the-job training’.

The committee considered this objective and considered the performance of the Green Corps program. It was noted that in measuring the performance of the Green Corps program the department had monitored employment outcomes. The department gave us the statistic that before the program 62 per cent of participants had been unemployed or not in the labour force and 12 per cent of participants had been long-term unemployed before joining the program compared with 20.8 per cent for that age group generally. However, it would be noted that the Green Corps program itself is not explicitly, in terms of its objectives, set up as an employment program. The committee concluded that, whilst these employment statistics were of some use, they were not forensic, if you like, in terms of employment outcomes and, in any event, those were not the terms of the program; that was not its principal objective. This, it should be noted, led to the committee making a recommendation, recommendation No. 3 in the report, that the Joint Committee of Public Accounts and Audit recommended that DETYA undertake analysis of the cost effectiveness of the Green Corps program.

The only other comment I want to make in respect of this section of the report is that the committee also examined some material about the questioning of tendering for the Green Corps program. It was acknowledged by the department during the course of the deliberations by the committee that, after the tender criteria had been set out, the department had added some criteria and subtracted others. The department explained this approach with reference to the short time frame and a lack of experience in this particular style of program. The department agreed that the process had been deeply flawed and assured the committee that ‘that set of deficiencies was rectified in the latest tender round’. I draw the attention of the House to that because obviously it is an undesirable outcome in the extreme for tender guidelines to be changed mid-tender process, and that was a matter dealt with by the committee.

With those brief comments, I recommend that all members study this report, as they ought to study all reports of the Joint Committee of Public Accounts and Audit.

Mr COX (Kingston) (4.58 p.m.)—There is only one aspect of this report which I wish to bring to the attention of the House. There was some discussion in the course of the examination of fringe benefits tax of the resistance of taxpayers to the amount of administrative burden, complexity and difficulty associated
with fringe benefits tax arrangements and that that difficulty brought the fringe benefits tax into some disrepute.

Most members will recall that when the fringe benefits tax was implemented in this country it was to close off a fairly broad area of tax abuse which was available to a fairly large spectrum of Australian taxpayers in the income tax system who could take benefits in forms other than cash and not have to pay any tax in relation to them.

From my recollection and experience, it had a fairly difficult passage through the Senate, where I was an adviser to the minister who was responsible for the carriage of the legislation. A range of issues were brought up in those days which included its likely effect on the Australian vehicle building industry, and some concessions were made as a result of political activity in that area. But the problems continue with convincing taxpayers both of their FBT responsibilities and the ways in which they should meet them. That requires significant ongoing effort by the Taxation Office because a large amount of revenue is at stake, it entails complicated rules, particularly for areas like private parking.

I just want to bring to the attention of the House the quantum of money that the Taxation Office revealed in the course of this inquiry that it spends on public information. I asked the tax officials:

How much money are you spending on advertising to make people understand why they have an FBT liability?

The Taxation Office official replied:

I do not have the figures on that. It is not a substantial amount. It would come to about $100,000 a year or $150,000 a year. Compared with the market, it is a relatively small number, and that is part of the problem. We have about 64,000 active FBT players.

There have obviously been no such restrictions on the amount of money the government has made available to the Australian Taxation Office to publicise to people their GST obligations, their ABN obligations and all of the other arrangements under a new tax system.

Debate (on motion by Miss Jackie Kelly) adjourned.

**Public Accounts and Audit Committee Report**

Debate resumed from 16 March, on motion by Mr Charles:

That the House take note of the paper.

**Mr CHARLES (La Trobe) (5.02 p.m.)—**

On behalf of the Joint Committee of Public Accounts and Audit, I wish to speak to the committee’s report No. 374, Review of the Financial Management and Accountability Act 1997 and the Commonwealth Authorities and Companies Act 1997, which was tabled in the last sitting week. The committee has found that, by and large, the acts are working well. The committee, therefore, has given the legislation a big tick. This is a credit to the original drafters who designed the provisions to cover the whole of the Commonwealth’s public sector at the beginning of a period of significant change brought about by the Commonwealth’s move to accrual accounting.

However, as with all overarching pieces of legislation, there are instances where anomalies or inconsistencies have arisen. During the review the committee’s attention was drawn to two possible conflicts with other legislation: firstly, possible inconsistencies with defamation legislation regarding the definition of ‘lack of good faith’; and, secondly, with legislation in three states allowing employers to indemnify employees. The committee believes that in these two instances, legislative clarification is more desirable than awaiting future litigation to determine the issue. Accordingly, the committee has recommended that DOFA and the Department of the Treasury, as lead Commonwealth agencies in this matter, should consult with their equivalent state agencies with a view to addressing these possible inconsistencies.

Turning to the accountability arrangements following the recent financial management reforms, concerns were raised with the committee that the change to accrual budgets might diminish the parliament’s ability to scrutinise appropriations. This was because appropriations are for high level outcomes rather than for line by line cash allocations.
The committee notes that the portfolio budget statements, the appropriations, and the annual report are now in a common format. The committee, therefore, believes this will provide a clearer picture of the overall aims of government and the full accrual costs of achieving those aims. There is a refocusing away from process to outputs and outcomes. A consequence of this clearer overall view will, unfortunately, be a reduced ability to identify and influence spending on the actual process of government. This raises the risk that with less focus on the details of process there will be increased temptation to, as one witness put it, 'push the boundaries' of what can be done beyond the limits of what should be done. The committee does not believe that the boundary is currently being pushed but believes that parliament is constitutionally required to remain vigilant.

The committee notes that the full cycle of accrual appropriation to annual report has yet to be completed and so it is too early to determine the effect on the ability of the parliament to undertake effective ex ante scrutiny of the executive. Nevertheless, already there is some concern among members of parliament about this issue. The committee therefore will, at a later date, undertake a survey of members of both houses seeking comment on the impact of the new budget format on their ability to scrutinise proposed government expenditure. In the meantime, the committee has recommended that DOFA review the accrual budget format to ensure that the change to full accrual accounting does not diminish the ability of parliament to scrutinise appropriations.

The other major mechanism of parliamentary scrutiny of agencies is via the annual report. Under Senate and House of Representatives standing orders, annual reports stand referred to particular standing committees. The committee advocates that standing committees of the parliament take advantage of standing orders to review annual reports. The committee believes examination of the content of annual reports of the FMA Act entities should include consideration of whether the information supports the section 44 requirement for chief executives to manage in a way that promotes the efficient, effective and ethical use of Commonwealth resources. For CAC Act bodies, emphasis should be on sections 22 and 23, which require directors to act honestly, exercise care and diligence and not use inside information to gain advantage or cause detriment. In the report the committee offers some suggestions as to how annual reports and chief executive officers could be examined for evidence of efficient, effective and ethical performance.

The financial statements contained within annual reports provide information which can be used to benchmark efficiency and enable comparisons between comparable entities. The committee first discussed this issue when it reviewed accrual accounting in 1995 and at that time drew attention to a booklet published by the then Department of Finance which described how data in financial statements could be analysed to measure performance.

The committee considers there is merit in such comparative performance information being made available to the parliament, as this would assist committees and others in evaluating the financial statements contained within annual reports. Accordingly, the committee has recommended that DOFA collect and table in parliament on an annual basis a consolidated series of charts and tables comparing the performance of all Commonwealth agencies against a range of key performance ratios. The committee has included as appendix E a series of performance ratios which could form the basis for such comparisons.

In conclusion, I would like to express the committee's appreciation to those people who contributed to the inquiry by preparing submissions and giving evidence at public hearings. Finally, I wish to thank the members of the sectional committee for their time and dedication in conducting this inquiry. I also thank the secretariat staff who were involved: the secretary to the committee, Dr Margot Kerley; sectional committee secretary, Dr John Carter; research officer, Ms Rebecca Perkin; and administrative officer, Ms Maria Pappas. I commend the report to the House.

Mr COX (Kingston) (5.08 p.m.)—The Joint Committee of Public Accounts and Audit raised a couple of issues in relation to
Mr TANNER (Melbourne) (5.11 p.m.)—I just wish to make an observation regarding recommendation 3 put forward by the Joint Committee of Public Accounts and Audit. It says:

The Department of Finance and Administration review the accrual budget format to ensure that the change to full accrual accounting does not diminish the ability of Parliament to scrutinise appropriations.

I also note the evidence put forward by Mr Maurie Kennedy suggesting that with the introduction of accrual accounting a risk has arisen of less transparency and less ability on the part of the parliament to scrutinise government expenditure in detail. It is very timely and appropriate that the committee has expressed its concern about this, drawn the government’s attention to this potential problem and recommended that the adequacy of the accrual framework with regard to this particular issue be reviewed. It is worth recalling that in the 1999 budget papers, contrary to the promise that I received from the Minister for Finance and Administration, detailed estimates were not provided on budget night and only came some time later, after the actual budget papers were delivered. There is a serious issue here. There is a very important question about parliament’s ability to scrutinise the expenditure of government and to ensure that items are not slipped through in ways that parliament, the media and the general community cannot scrutinise, and where the community cannot determine precisely what the government is doing, how money is being dispersed and for what purposes.

It is also worth noting that the recent Vertigan report criticised the implementation of accrual accounting in a number of respects. I trust that the government is taking heed of the recommendations of that report. I am awaiting advice from the Minister for Finance and Administration’s office about what changes are going to be made to the implementation of accrual accounting in the forthcoming budget, and I would certainly recommend that the government and the Minister for Finance and Administration take heed of the recommendations in the Joint Committee of Public Accounts and Audit’s report.
that is being debated today on this issue and the advice of Mr Maurie Kennedy. It is worth noting in this context that we have growing problems of transparency and accountability arising from the increasing contracting out that we are seeing at this level of government and also at other levels of government where commercial-in-confidence becomes an all-purpose excuse for avoiding scrutiny of the expenditure of government money, of taxpayers’ money.

It is also worth noting that there are suggestions afoot that the government is considering a much more radical contracting out program which could involve ordinary day-to-day public servants ceasing to work for the Commonwealth and being contracted out and employed by private agencies who then contract their services to the Commonwealth and which could involve a whole range of functions, such as human resource functions and ordinary service delivery functions of mainstream government departments, like Centrelink, being contracted out. There are a whole lot of very serious issues to do with accountability and transparency of their conduct of government business, their interrelationship with citizens, their dealing with privacy issues and their dealing with sensitive information with respect to individuals—for example, in social security or immigration.

If these suggestions are true, I would urge the government to think very carefully about taking these sorts of steps and going beyond the already very substantial level of contracting out that has occurred. We do have a very serious issue here to deal with of public accountability and transparency of the expenditure of government moneys and the ability for members of parliament—and, through them, their constituents—to scrutinise how their taxes are being spent and precisely what ways they are being dealt with and ensuring that there is proper accountability for those funds.

Debate (on motion by Mr McClelland) adjourned.

YOUTH ALLOWANCE CONSOLIDATION BILL 1999
Consideration of Senate Message
Message from the Governor-General recommending appropriation for the bill and proposed amendments announced.
Consideration resumed from 4 April.
Senate’s amendments—
(1) Schedule 4, page 123 (after line 5), before item 1, insert:
1A  After paragraph 542(e)
Insert:
(ea) the person has a special academic circumstances exemption under section 542GA; or
1B  After section 542G
Insert:
542GA  Special academic circumstances exemption
  (1) A person has a special academic circumstances exemption if the person meets the requirements of subsection (2) and either subsection (3) or (4) applies.
  (2) The person:
    (a) is enrolled in respect of, or (if subparagraph 541B(1)(a)(ii) or (iii) applies) intends to enrol in respect of; and
    (b) is undertaking, or (if subparagraph 541B(1)(a)(ii) or (iii) applies) intends to undertake;

the person

at least two-thirds of the normal amount of full-time study in respect of the course in question (see subsections 541B(2) to (4)); and

(c) the course in question is an approved course of education or study (see subsection 541B(5)); and

(d) in the Secretary’s opinion the person is making satisfactory progress towards completing the course.

(3) The person cannot undertake the normal amount of full-time study because of:
    (a) the educational institution’s usual requirements for the course that the student is undertaking; or

(b) a specific direction in writing to the student from the academic registrar or an equivalent officer.

(4) The person cannot undertake the normal amount of full-time study if the academic registrar (or an equivalent officer) of the educational institution recommends in writing that the person undertakes less than the normal amount of full-time
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study for specified academic or vocational reasons.

(5) Subsection (4) cannot apply for more than half of the academic year.

(2) Schedule 4, page 132 (after line 5), after item 16, insert:

16A Point 1067G-E17
After "1067G-E18", insert ", 1067G-E18A".

16B Point 1067G-E18
After "business" (first occurring), insert "which includes the provision of professional services".

16C After point 1067G-E18
Insert:
Interest in business assets when business includes carrying on of primary production

1067G-E18A Subject to point 1067G-E19, 75% of the value of a person's interest in the assets of a business which includes the carrying on of primary production is disregarded if the person, or his or her partner, is wholly or mainly engaged in the business and the business:

(a) is owned by the person; or

(b) is carried on by a partnership of which the person is a member; or

(c) is carried on by a company of which the person is a member; or

(d) is carried on by the trustee of a trust in which the person is a beneficiary.

Mr ANTHONY (Richmond—Minister for Community Services) (5.16 p.m.)—I move:

That the requested amendment No. 1 be not made, but in place thereof, the government amendment be made:

(1) Schedule 4, page 123 (before line 6), before item 1, insert:

1A Paragraph 541B(1)(b)
Repeal the paragraph, substitute:

(b) the person:

(i) is undertaking in the particular study period (such as, for example, a semester) for which he or she is enrolled for the course; or

(ii) intends to undertake in the next study period for which he or she intends to enrol for the course;

either:

(iii) in a case to which subsection (1A) does not apply—at least three-quarters of the normal amount of full-time study in respect of the course for that period (see subsections (2) to (4)); or

(iv) in a case to which subsection (1A) applies—at least two-thirds of the normal amount of full-time study in respect of the course for that period (see subsections (2) to (4)); and

1B After subsection 541B(1)
Insert:
When two-thirds study load applies

(1A) This subsection applies for the purposes of subparagraph (1)(b)(iv) if the person cannot undertake the normal amount of full-time study in respect of the course for that period:

(a) because of the usual requirements of the institution in question in respect of the course; or

(b) because of a specific direction in writing to the student from the academic registrar, or an equivalent officer, of the institution in question; or

(c) because the academic registrar, or an equivalent officer, of the institution in question recommends in writing that the person undertake the amount of study mentioned in subparagraph (1)(b)(iv) in respect of the course for specified academic or vocational reasons.

Paragraph (c) applies for no longer than half of the academic year.

The government are not supporting the amendment put forward by the Democrats in the Senate because we are introducing our own amendment. The amendment put forward by the Democrats does not meet their intended objective. It would only exempt a student undertaking two-thirds of full time from the activity test; it would not give them full-time student status. Therefore these students will not be eligible for the student financial supplement loan. They would not be eligible for the income bank or the $230 income-free area and upon reaching 21 would still not qualify for the youth allowance under the maximum age provisions. In addition, exemption from the activity test would mean that penalties that can be applied to unemployed people and full-time students who fail to meet the activity test obligations could not be applied to this group of students. However, the government will be putting forward their own amendments to the Youth Allowance Consolidation Bill 1999. As I have already explained, although the amendment put forward by the Democrats does appear to have merit, it was incorrectly drafted. The
government have always intended to revisit youth allowance provisions as part of the youth allowance evaluation. There was always scope to extend the benefits that are available under youth allowance to full-time students to those students undertaking at least two-thirds of their normal study load in certain circumstances. I table the further supplementary memorandum to the bill.

Mr ALBANESE (Grayndler)  (5.18 p.m.)—Labor did not support the government’s introduction of the Youth Allowance Scheme. We opposed it because it changed the age of independence from 18 to 21, thus shifting the burden of providing for young unemployed people from the government to the unemployed person’s family. Instead of user pays, the Howard government introduced ‘family pays’. A family does not have to be very rich to be deemed wealthy enough to support their unemployed children—$24,000 per annum is all it takes before the government begins asset testing and stripping a young person of their entitlement. So, while the family supports young unemployed people, the Howard government has cut $4.2 billion from education and training, reducing the chances of these young people of ever getting a job.

The introduction of the youth allowance has meant that some 12,800 young people have lost all their benefits and some 33,250 young people have had their benefits reduced. It is appropriate that we are debating this bill as the final item in what is the first ever National Youth Week. This parliament has a responsibility to defend our young Australians because they are our future. A number of amendments to this bill were moved in the Senate, some of which were agreed to and some of which failed to get a majority. This is largely a technical bill, but it also has some very practical implications for the implementation of youth allowance. With the specific amendment that has been referred to by the Minister for Community Services—and he has indicated that the government is prepared to essentially support the principle embodied in the amendment that was moved—that principle is an important one.

This was an amendment moved by the Australian Democrats in the Senate and supported by the Australian Labor Party. It was supported on the basis that it bound the government to a 1996 election promise from the coalition that was never fulfilled. Labor and the Democrats supported a 75 per cent exemption of farm assets for the purpose of qualifying for the common youth allowance and Austudy. This is because many farmers are asset rich and income poor. It has been shown that rural and regional families participate in higher education at only two-thirds the rate of urban Australians. Rural and regional people need to have equal access to education and income support for young people. This is a promise that the National Party has failed to deliver since this government came into power. We supported the amendment on the basis of introducing this amendment to ensure that those promises were in fact kept.

With regard to the principles embodied in the Youth Allowance Consolidation Bill, at the time of its introduction honourable members would recall that, when the Australian Labor Party indicated its opposition, at first we received support from Senator Harradine. At the time, he had the balance of power in the Senate. Senator Harradine, after much negotiation with the government, indicated he would support the legislation on the basis that the government was going to introduce a family friendly tax package. What we have seen since then is the goods and services tax as the basis of the tax package being introduced by the government, and we have seen a failure to adequately compensate lower and middle income families for the impact of the GST. Just this week, we have seen the interest rate rise caused by three things: G-S-T. That further erodes the compensation package which is available, placing pressure on families at a time when families are meant to pick up the bill for young Australians due to the draconian policy and philosophy embodied in the government’s youth allowance bill.

Mr DEPUTY SPEAKER (Mr Nehl)—The question is that requested amendment No. 1 be not made and that, in place thereof, the amendment circulated on behalf of the government be made.
Mr ANDREN (Calare) (5.24 p.m.)—Mr Deputy Speaker, there seems to be some confusion over just which amendment we are debating.

Mr DEPUTY SPEAKER—I have no confusion whatsoever: we are debating amendment No. 1.

Mr ANDREN—I want to reserve my right to speak on amendment (2), and I do not care whether it is today or next Monday.

Question resolved in the affirmative.

Motion (by Mr Anthony) proposed:

That requested amendment No. 2 be not made.

Mr ANDREN (Calare) (5.25 p.m.)—I have here, amongst all of my papers, a document entitled Quality, diversity and choice: the Liberal and National parties’ higher education policy from 20 February 1996, and it makes pretty interesting reading. I draw members’ attention to the top of page 14 of the document, dealing with Austudy, which states:

As a first step, a Coalition government will increase the discount in the assets test for AUSTUDY from 50 per cent to 75 per cent for farm and business assets in businesses in which the parent is substantially engaged.

That document was printed on 20 February 1996. It is now 6 April 2000, more than four years later, and still the government has not delivered on its promises to increase the asset exemption for farm families. Four years since that promise was made, there is still no indication that the government will deliver on it. Four years and counting, this request is now before this place only because of the work of the opposition and the Democrats in the Senate.

I read with interest the debate in the other place on Monday on the requests. What amazed me was the total absence of National Party members from that debate. There was not one. The National Party could not be bothered going in to bat for its asset rich yet income poor supporters. It had better things to do with its time, apparently, such as sending out press releases in my electorate over my position on mandatory sentencing. I am not going to dignify that release, which is pretty much full of untruths, except to say that it shows where the National Party’s priorities unfortunately are.

I was interested in the comments in the other place of the Minister for Family and Community Services about why she considers the government is not actually breaking its promise by refusing to increase the assets test exemption to 75 per cent, which is what is requested in the amendments from the Senate. Senator Newman claims that, as the promise was made with regard to Austudy and Austudy has now been replaced by the common youth allowance, it is not really being broken. The minister says that, under the youth allowance, the government has spent an additional $254 million over its first four years, as opposed to spending with regard to Austudy. I am not in a position to dispute that figure in detail—I have not had time to get advice on the costing—but I fail to see how the youth allowance can be costing that much more than Austudy.

As you well know, Mr Deputy Speaker, one aspect of the youth allowance actually saved the government a considerable amount of money, and that was the increase of the age of independence to 25 from 22 and also the tighter homeless criteria and activity requirements. Sure, there was extra expenditure under the youth allowance for things like rent assistance, but I question the minister’s figure of $254 million and would appreciate an explanation from the Minister for Community Services in the House, if one is available. The minister went on to say that the proposal to increase the discount on farm business assets to 100 per cent would cost an additional $32 million a year and to increase it by 75 per cent, as requested by the Senate, would increase the farm asset limit to $1.7 million and cost around $24 million.

After exhaustive submissions, inquiry and interview, the Standing Committee on Primary Industries and Regional Services—of which I am a member—stated quite clearly in recommendation 80 of its report entitled Time running out: shaping regional Australia’s future that the government should:

... increase the discount for farm and business assets under the family assets test from 50 per cent to 100 per cent for students from rural and remote areas.
The minister explained the government’s rationale for not supporting these. She said that increasing the 50 per cent discount would compromise the overall means testing arrangements, as assistance would be targeted at those who are really in need. She says that, despite a lot of sympathy in the country for farming families, too many who are battling themselves, having difficulty supporting their kids and paying their taxes, would well believe that it was fair to have a social security system that allows people with farm assets up to $1.7 million to access income support. But the minister fails to realise the difference between a farm business and others. I am sure many members of the National Party have dealt with constituents who are over the current asset test limit. Farming families can be on a very low if not negative income but can have relatively high asset values as compared with other business. We could have a family living in a $4 million house on the North Shore in Sydney with a low income still accessing youth allowance.

My office has played a very crucial role in this in many respects, and the Minister for Employment Services—who I see at the table—in his former role welcomed the submission that we made on the suggested amendments to the Austudy test. I was pleased to see some of those picked up. I support requested amendment No. 2 from the Senate, and I will draw its rejection by the government, including the National Party, to the attention of my electorate as soon as possible, rejecting as it does a unanimous recommendation from a committee of this parliament.

Debate (on motion by Mr Albanese) adjourned.

MANDATORY SENTENCING LEGISLATION

Consideration of Senate Message
Message received from the Senate requesting the House to consider immediately the Human Rights (Mandatory Sentencing of Juvenile Offenders) Bill 1999.

ADJOURNMENT

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

That the House do now adjourn.

Green Corps

Mrs MOYLAN (Pearce) (5.30 p.m.)—It gives me great pleasure to rise in the House this evening to talk about the Green Corps program and its operation within the electorate of Pearce. The Green Corps program was announced by the government in 1996 with initial funding of $41 million, providing 3,500 places over a three-year period. Following the success of the program, the government announced funding in the 1999-2000 budget of approximately $90 million to continue the program for a further four years, providing 6,800 places.

I rise to speak about this because I visited a number of Green Corps programs in the electorate of Pearce. It is tremendous to see how the young people who volunteer for the Green Corps program grow and develop over the six-month course that they undertake. The enthusiasm is just fantastic. The most recent graduation that I attended was the Central Wheatbelt Green Corps program on Friday, 31 March. Prior to that I have attended numerous other launches and graduations around the electorate, and a number of those have been at Paruna Sanctuary. Attending these has given me the opportunity to see first hand the benefits that this program brings to our young people and the way it helps them to develop.

At Paruna, for example, participants have completed all kinds of environmental work, from building dedicated walk paths to putting up fences. I have enjoyed the fruits of their labour on many occasions with family and friends walking through this sanctuary. It is just stunningly beautiful. More recently the central wheatbelt project had participants working with catchment groups and farmers to collect seeds, establish seed banks, complete remnant vegetation surveys, and carry out weed and erosion control measures. This is very important in my electorate because my electorate is a very fragile environment where salt encroachment and erosion are major problems. These young people are contributing to the solution to those problems, ensuring that my electorate can go on being a major producer of wheat, sheep and clean food for the rest of Australia and in-
The benefits to the young people participating are that they learn how to work with a team and they have confidence by the end of the six months in getting up and speaking—and some of them have given absolutely outstanding presentations at those graduations. It is terrific to see them grow in confidence, knowledge and stature.

I am very heartened by the involvement of young people. You get the feeling they will be proud to go back to those areas that they have helped restore, with their children and grandchildren, and say, ‘I participated in this.’ I think we can take heart that young people are taking more and more interest in the environment. This program is adding to that bank of knowledge and ensuring that a whole generation of young people will be able to continue on very important work in the preservation of the environment for the benefit of our country and the people who live here.

The other fantastic thing about the Green Corps project is that it brings communities together. At those graduations I have met parents, grandparents and many different community groups that have worked with the young people to make sure the best possible results are had. It brings older and younger people together, bridging sometimes the generation gap that keeps them separated. It is very important to involve them. Finally, I would like to say how fortunate we are as a country to have the kind of young people who are prepared to go out into their community and plant the shade trees under which they know they will never sit.

Refugees: Kosovo

Mr DANBY (Melbourne Ports) (5.35 p.m.)—Last Thursday I attended the Bandiana Safe Haven in Albury where I am a co-patron. I had the good fortune to meet people I have met before who were welcomed to Australia as evacuees from Kosovo. I met a number of very impressive people who have, with Australia’s good offices, had their health, even their education and certainly their English improved while they have been here. The professionalism of the Australian defence forces and the department of immigration needs to be noted.

The situation I found there was quite heart-rending. On Monday these Kosovar refugees who were welcomed to Australia with great fanfare were divided into two groups. The minister for immigration very conscientiously went through the application for immigration of each of the remaining 500 people in Australia and decided that some 250 of them would be allowed to remain at least for a certain period.

I would not like to be in the minister for immigration’s shoes. Having seen the film Sophie’s Choice, I think having to send people back to Kosovo in the circumstances that exist in that country at the moment is a very difficult thing. I do not underestimate the difficulty of what he had to do, but if I were the minister for immigration I would not do it.

The situation in Kosovo has changed in the last two weeks. The minister for immigration relies on a release from the refugee organisation of the United Nations here in Canberra that was made on 21 March. Late last week Ms Ogata, the Head of the UNHCR, was in Kosovo and asked Western countries who do have these evacuees there to return them very slowly, given the worsening security situation in Kosovo.

NATO promised that there would be 6,000 police on the ground in Kosovo at this time. There are 300 on the ground. Misha Glenny, the very respected author and expert on the Balkans, recently said in the Wall Street Journal that we in the West should not be too pompous about how we would behave if there were no police, courts or prison systems operating in our countries. That is the situation to which these 250 people are being returned. There is a document produced by the UNHCR in Skopje, the place where our Air Kampuchea charter took these people on Saturday, that says, ‘No resources will be provided to you after you are distributed to the various towns from which you come.’ We will be leaving these people without accommodation, perhaps even without food. We will be leaving them to the situation that is in Kosovo.
If I were the only person in Australia to raise this, I would be happy to. One of my favourite books is *The Tin Drum*. If I had to beat the drum alone, I would. I feel that there is a great deal of sympathy out there amongst the Australian people for these Kosovar refugees. I think it is a great shame that we welcomed them here to Australia and that they are being returned under these circumstances. Again, I am not personally critical of the Minister for Immigration and Multicultural Affairs. I feel that he does his job with great conscientiousness and has on this occasion as well, but I believe the situation in Kosovo has worsened very substantially in the last two weeks, and I do not believe that Australia, which only last week became a country of 19 million people, would have a problem with 250 Kosovars staying here an extra few weeks or months until the security situation in that country was established.

**Makin Electorate: Modbury Soccer Club**—**Makin Electorate: How to Drug Proof Your Kids**

*Mrs DRAPER (Makin) (5.39 p.m.)*—I rise to speak with regard to the upcoming Olympic Games. Colleagues may have noticed that recently I had the honour of wearing a Modbury Jets soccer guernsey in our great Australian parliament. The guernsey was presented to me by the chairman of the Modbury Soccer Club in the club rooms off North East Road in Modbury at one of their home games on Friday night. My electorate of Makin is one of the few across Australia that has not but two soccer clubs which have been chosen because of their outstanding facilities, organisational ability and cooperation among key stakeholders—local council, state government and, of course, federal government—to host several Olympic soccer teams during the Olympic Games. Many people at Modbury Soccer Club are extremely excited and are looking forward to this tremendous honour and opportunity.

I would like to pay tribute to the hard work of the many volunteers and all of the mums and dads of our soccer stars who make the running of the club so successful. I would like to thank the people who work the bar, the canteen and the barbecue; the people who run the raffles and organise the fundraising events; the coaches and team managers; and, as I said earlier, the mums and dads who get their kids to the training sessions and matches, which are played at many different venues. Without all the abovementioned people willing to help in the way that they do, Modbury Soccer Club would not be as successful as it is today. A special note of thanks must also go to all of the sponsors, who make the running of the club so successful. On behalf of the Modbury Soccer Club, I would like to say thank you to all of you. May I also take this opportunity to thank Minister Jackie Kelly for her tremendous support.

On a separate matter, I would like to read into the *Hansard* a letter of support for the launch of ‘How to drug proof your kids’. It says:

Good evening everybody. Firstly, I would like to apologise for not being able to be at the launch as I am at the moment still in Canberra.

However, I would like to thank Mrs Dorothy Taylor for inviting me to be part of the launch; “How To Drug Proof Your Kids”.

I can not speak highly enough about this program because the emphasis of the learning sessions is about strengthening communications and relationships between parents and children.

The focus, in the program, is on the family, and for me this is extremely important. When we were working with the “Tough on Drugs Initiative” in 97/98, in the Makin electorate, the importance of the family was an issue which I also attempted to highlight through the schools and information nights. I firmly believe it is not just up to teachers alone to carry the burden of educating our children about good life style choices. Again, family relationships are imperative in educating our children about their choices.

What we need to do as a community and as a society is approach our relationships with our children from an individual family perspective. Despite the constant peer pressure children face on a daily basis, parents need to know they can still be the most important influence upon their children’s lives.

Having attended several of the sessions entitled: “Drugs! Just How Bad Is It?” and “Learning to Intervene and Where to Get Help”, I learnt a great deal.

The other modules, particularly, “Why Kids Take Drugs”, “How To Educate Kids To Make Good Choices” and “Prevention Tools For Parents”, I
found very valuable and enhanced my relationship with my own children.

I would like to commend both Paul Riddley from the Valley View Secondary High School and Steve Trautwene from the Good Shepherd Lutheran school for facilitating our first “How To Drug Proof Your Kids” course in the electorate of Makin. And of course may I offer my sincere encouragement, support and congratulations to not only, Dorothy Taylor from the Golden Grove Community Church but also to the facilitators of the course Mr John Morton from Golden Grove Community Church, Mr Mike Annells, Chaplain from Golden Grove High School and Glenice Nimmo. It is very heartening and gratifying to see that people such as John Morton, Mike Annells and Glenice Nimmo are taking the time to work on the operation of this program in the electorate of Makin.

I wish you every success and encourage all parents to attend this course and again my sincere apology for not being able to attend tonight due to my parliamentary commitments in Canberra.

In closing, may I take this opportunity to sincerely say, thank you very much, to Mrs Lesley Purdom, a candidate for City of Tea Tree Gully Mayor for agreeing to speak tonight on my behalf. To all of you I say thank you very much.

Goods and Services Tax: Charitable Organisations

Ms GERICK (Canning) (5.44 p.m.)—On past occasions, I have quite often spoken about the great work done by many community groups in Canning. These groups are made up mainly of volunteers, who spend many hours working to make life in Canning better. Over the past month I have visited and spoken to a number of groups, including Armadale Home Help, Gosnells Women’s Health Service, the South Metropolitan Migrant Resource Service and Gosnells Community Support Services.

All of these groups I have spoken to in the past have concentrated on the new programs that they are trying to develop. In recent conversations they have spoken at length about the pressure they are under and how they are afraid that the services they offer are going to be reduced because of the imposition of the GST.

When I visited Armadale Home Help last fortnight I spent time speaking to the CEO and the chairman of the board. They told me that they had spent the last weekend reading through the ‘How to get ready for the GST manual’. The feeling the manual gave the chairman of the board was that the time he had spent getting Armadale Home Help ready and improving services for our seniors was not appreciated and that maybe it was time to pack it all in and give up because it is all just too hard.

In recent weeks, the bookkeeper had volunteered to go in her own time to do a GST course. She was horrified to be told in that course that each time they made an error in filling out the forms for GST there was a maximum penalty of $2,000. The people who work at these organisations are normally volunteers or not well paid. They are not going to be encouraged to stay in these very worthwhile fields if they feel they are under threat of causing their organisation to be charged fees. It is necessary for them to buy new computer systems, which is another cost that they cannot afford.

We seem to be putting up more and more barriers to stop people doing the work that we know makes our communities better places in which to live. In the past, all of these groups were tax free. All they had to do was get the form when they were buying the goods and tick the box down the bottom which said ‘sales tax exempt’. The government argues that it will be all right and they will be GST exempt. It is not the same because you have to fill out all the paperwork. If you want to claim back the cost of all your inputs, you have to keep all the paperwork, fill out the forms and, most importantly, you have to wait three months to lodge the form and then you get your money back. None of these organisations have buckets of money lying around. They all scramble to meet the obligations they have. How are they going to cope with the lack of cash flow in paying these GST costs? The reality is that services are going to be cut.

When I was at the Gosnells Women’s Health Service the coordinator told me that her staff were volunteering to come in unpaid so that they could maintain the services that they were offering now. She said, ‘We do not know how much longer we can carry on doing this.’ The people in Gosnells are going to
The services that these groups offer are not offered by anyone else. They are such services as lawn mowing and house cleaning for the elderly, taking the elderly out shopping, giving women from ethnic backgrounds a chance to come and meet other women and perhaps improve their English skills.

We need to encourage these places. The government is failing to recognise the contribution that these groups make. Not only is the government going to make them tax collectors; it is going to make them pay for the privilege of collecting tax for the government, which is an absolute disgrace. It is time the government realised what it is doing and sat down and worked out a simpler way for charities and small organisations to comply with the requests of the GST so that our services are not cut and the volunteers who have spent many years building up these groups do not feel that they are being ripped off and that they have wasted their time because this government does not appreciate the good work they have done.

Mrs GASH (Gilmore) (5.49 p.m.)—This speech was written by 15-year-old Brett Chant, who is sitting in the gallery and who has spent the week with me on work experience. These are his words:

Mr Speaker, Mr Prime Minister and Mr Opposition Leader and Members of Parliament

I would be honoured to take this opportunity to talk to you all about the tiny island nation of Solomon Islands.

The country in which I was born, the country which produced the likes of two great Australian sports people namely Alex Wickham the great swimmer and also the controversial Mal Meninga.

But most importantly, the country which I represent on my visit to Canberra.

As most of you are aware, the Solomon Islands, located approximately 1500 kilometres north east of Australia, is an archipelago consisting of thousands of islands.

The main island is the well renowned Guadalcanal, which played a crucial role in the second world war.

The country’s capital Honiara is located on Guadalcanal.

The Solomon Islands was a protectorate of the British Empire prior to gaining sovereignty in 1978.

The Solomon Islands is classified as a developing nation, and has a population of over 320,000 people, with a Gross Domestic Product of US$1200 per capita.

The country’s major industries are gold, copra, palm oil, tuna and foreign funded projects indicate that rice and honey have major potential if investors are enthusiastic in these two industries.

Because the whole concept of western society is still relatively new to Solomon Islanders, the majority of the population is still living the simple village life.

And whilst 19% of the population who live in the city pay taxes, the generated revenue is just not sufficient thus forcing previous governments to cheaply exploit the country’s resources to foreign investors.

Because of this, the Solomon Islands has almost solely relied on foreign nations to provide the simplest of infrastructure all over the country and also to be advised on different political issues affecting the development of the Solomon Islands.

Australia has played an enormous role in the socio-economic development of the Solomon Islands by funding a seemingly endless number of projects ranging from police and national security advisers to forestry policy making.

Also providing funds for Solomon Island delegations to attend essential workshops around the four corners of the globe.

And through Ausaid, Australia has invested millions of dollars into the country yet there is still much to be done that unfortunately Australia simply can not do.

What Australia has done for the Solomon Islands is just absolutely remarkable and this really does reflect on Australia’s attitude towards its neighbours and especially those in need.

The Solomon Islands has seen many years of rather incompetent governments however the first steps to recovery are being taken under the current Government and in fact the government was highly commended by the IMF for their first signs of possible economic growth.

Most of you may have been made aware of the current ethnic tension between a militant group and a rival ethnic group outside of the capital of Honiara.

The tension has cost the Solomon Islands government several millions of dollars due to the temporary closure of the country’s biggest plan-
tation, one of the Government’s highest income earners.

Though the situation is under control, it’s very touching to the hear the concern of a few members of parliament.

Over the past 18 months, three parliamentarians have visited the Solomon’s with a successful outcome of all issues discussed.

However, the education curriculum was never brought to their attention.

The education curriculum is something I feel strongly on and it is something I would like to stress to you all.

In a country such as the Solomon Islands, it is imperative that we breed leaders that will lead us beyond 2000 into this new age.

Though the Australian government has provided considerable assistance to the education sector by building extra classrooms, laboratory’s, Dormitories and a few library resources, the vital necessities of education in this day and age is life skills and information technology.

But unfortunately students don’t have access to these learning resources.

A few days ago, I watched with admiration a class of primary school students from the Gilmore electorate, answer almost accurately a series of government related questions.

Their extensive knowledge of the government, which they obviously gained at school, was just unbelievable, no student in junior secondary school in the Solomon Islands could answer such questions based on their own simpler form of government.

This is an example of how disadvantaged, student’s in all third world countries are.

And it just goes to show that compared with Australia’s high standards of education, the Solomon Islands’ education system is not adequate enough to prepare students for leadership roles or for utilising skills attained at school to contribute to nation-building.

So please, I urge the Australian government to consider the difficulty facing many students and assure Solomon Islanders a better future, a future we are entitled to.

Mr Speaker, Brett is attending Bomaderry High School in my electorate of Gilmore to try to better himself so that he can return that knowledge to his country and his people.

Minister for Transport and Regional Services

Mr MARTIN FERGUSON (Batman) (5.54 p.m.)—I rise this evening to talk about a matter of major concern—in essence, the lack of activity in the transport portfolio. My concern goes to the failure of the Minister for Transport and Regional Services to get his head around the job. One could think that the task of leading the National Party—bludgeoning unity on Telstra and mandatory imprisonment—is a full-time job. I am becoming more and more convinced it is because of the lack of activity in the transport portfolio.

If I go to the issue of rail, what do I find? I have had this portfolio for only a couple of months. There are three rail reports that Mr Anderson has not responded to. The first is Tracking Australia. When was that report tabled? August 1998. Then we go to the Prime Minister’s own rail projects task force, chaired by none other than Mr Jack Smorgan. That report, Revitalising rail, was released in May 1999, and there is still no response from the transport minister, yet he finds time to go to special film nights in the National Party room. It is not for me to talk about the nature of those films this evening. Then we go to the Productivity Commission report. An inquiry into rail reform was sent to the Treasurer in August 1999, and there is still no response to that report either. But we can go on because that is only one part of the transport portfolio.

There is the issue of roads. I know from the member for Corangamite and you yourself, Mr Speaker, that the issue of roads is exceptionally important to rural and regional Australia. The House of Representatives Standing Committee on Communications, Transport and Microeconomic Reform completed an inquiry into federal road funding in October 1997. A great deal of time and effort went into that report by members of both sides of the House. What do we find, again? Still no response from the minister. I might say that road funding is a contentious issue. In fact, you would even say in rural and regional Australia that it is an election winner. If you want any proof about that, you need only refer to the recent successful Moree Roads Conference, put together by the Australian Local Government Association, to
look at roads. Some 276 representatives from local governments and industry around Australia issued a communique warning that Australia’s rural road network was on the edge of collapse. Surely the minister can find time now to respond to the House of Representatives committee report of October 1997 on the issue of road funding.

Now I will go to the issue of shipping. This government has no policy for our domestic shipping industry since it abolished the shipping capital grants in 1996. But what do we find, again? The minister is sitting on yet another report. He has been sitting on the report from the Shipping Reform Working Group since April 1999. The report calls for a much greater level of investment in the domestic shipping industry, some $136 million per year, to halt the decline of the industry.

But there is still one further part of the portfolio—that is, aviation. We have spoken about our concerns in the House about CASA. It could not even get its report in, as required by the parliament, until after the due date. I sat here yesterday and, as members will recall, the minister, in an embarrassing fashion, was trying to say that CASA was not really in technical breach of the legislation by not tabling its annual corporate strategies report. Yesterday we even had the minister talking about TAAATS, which is clearly about what we do with respect to safety and all the associated aviation reports. To be fair, I want to congratulate the staff at Airservices. Despite the lack of leadership from the minister, I think the introduction of TAAATS was a mammoth task and it required significant and extensive commitment and skill from the staff. I only wish it was rewarded with a minister as interested in the transport portfolio.

My message to the minister this evening is this. He ought to start getting serious about the portfolio of transport. He ought to start going and listening to the people operating in this industry. He should stop listening to the spin doctors. He should talk to the people at the coalface who are voicing their concerns across the whole transport portfolio. He should go and sit down with them and try to work out how we can fix their problems. In every respect of the portfolio at the moment, the minister for transport is missing in action. I suppose that comes with living in Red Hill, because you would not want to live anywhere near your electorate, would you? It is actually nicer to live in Red Hill in Canberra.

All parts of the transport industry are calling for leadership. It is absolutely necessary to deliver what is needed to rebuild our transport infrastructure now, not later. Minister, there is time, but it is up to you to accept that there is a lot of work to be done. We have to start doing something for all Australians, rather than have you spending all your time keeping the National Party in line?

Job Network: Second Contract

Mr JENKINS (Scullin) (5.59 p.m.)—In the last sitting week, I rose in an adjournment debate to speak about Job Network 2, specifically about the way in which a number of sites in the suburb of Epping have co-located under the one roof. I now find that in the suburb of Greensborough—where the minister has put in his propaganda machine that the number of sites has increased from three to six—three of the sites are again under the same roof, and again it is ironic that they are in the old CES office. But, even worse, when I went up the main street of Greensborough and looked at a sign on the door of one of the providers, I found that one of the sites is only open from nine till 11. If the people who are to go to that provider go after those hours, they are asked to go to Preston, which is actually 11 kilometres away. Regional members might not think that that is a great distance, but in the urban area it would take the job seekers two or three forms of public transport to find that site. I believe that the minister really needs to come in here and explain why he continues the propaganda.
ment House completed under the supervision of the Joint House Department in 1999-2000.

(2) What was the cost of the establishment of an amenities block adjacent to the Western Formal Gardens completed in recent years.

(3) What was the total cost of works completed in and around the Western Formal Gardens since 1996.

NOTICES

The following notices were given:

Mr Fitzgibbon to present a bill for an act to amend the Trade Practices Act 1974.

Ms Hoare to move:

That this House:

(1) supports Reconciliation Week and the reconciliation process;

(2) congratulates Evelyn Scott and the members of the Council for Reconciliation for their work and commitment to the reconciliation process; and

(3) further commits the House to continue to foster true reconciliation between Australians.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Parliamentary Debates

Mr EMERSON (Rankin)—I wish to congratulate the students of Maryfields Primary School of Mabel Park State School and of Kingston College for their participation recently in parliamentary debates. In the case of Maryfields Primary, the debates were held at the school itself and, in the case of Mabel Park State School and Kingston College, they were held at the Gold Coast council chambers at Nerang. The debates were vigorous, rigorous and most enjoyable with the kids really taking the opportunity to get passionately involved in them. I was delighted, therefore, with the level of interest and participation by the students in these debates. We had a Speaker and all the officials, such as the clerks. More than half of the children were on one side and a little fewer than half were on the other side.

Mr Hardgrave—Like this place.

Mr EMERSON—Very much like this place, as the member for Moreton has said. A vigorous debate ensued. I was able to convey to those students the important fact that on the vast bulk of the legislation that comes before the parliament there is, in fact, agreement. This is not widely known and people who watch question time and some of the other debates obviously draw the conclusion that we systematically and habitually disagree with each other. But the majority of legislation that comes before the parliament, no matter who is in government, is agreed upon.

I was pleased to be able to convey that to them. I was amused by the propensity of the kids to cross the floor. The merits of the debate were thrashed out and in the exchanges that occurred some of the kids from the other side—I must say that they were prompted in part by me—thought that the argument on the opposition side had greater force and some of them crossed the floor. Nevertheless, the opposition still lost those debates. In one case the Canberra official had to say, ‘Please, no more cross the floor because we will bring the government down.’ I do not know whether this is a portent for the future when the children of Australia are saying: ‘When we hear the force of the argument, why not make those sorts of decisions and cross the floor?’

Finally, I was also amused by officials from Canberra—whom I must thank and congratulate—saying, ‘In the Labor Party’s case you are absolutely bound; in the Liberal Party’s case, that is not so.’ We have seen in recent days that there is binding on both sides.

(Time expired)

Otto, Mr Lionel
Killen, Lady Joy

Mr HARDGRAVE (Moreton)—I am pleased to rise this morning to celebrate the lifelong contribution of Mr Lionel Otto, an 82-year-old man from Moorooka in my electorate of Moreton. For 61 years he has called his wife Kathleen Katie.

Lionel is not very well these days. His life has been one of lifelong learning. He is a man who, by his own admission, has had limited formal education, but he has, in fact, spent 60 years involved in the engineering sphere of endeavour in Australia.

Lionel says that not only the highly educated make a success of life and get things done. As testimony to that particular belief, he is leaving a number of legacies—one of them is his book, Forgotten Technology and Conversion Charts. It is a very practical and straightforward book. When you stop to think about it, in the year 2000 we are trying to cope with metric versus old imperial measures. Many of the younger generations have difficulty
keeping abreast of those conversions and how to do them easily. As Mr Otto himself says, as the defence department sources most of its armaments from countries that use the imperial system, that system is going to be around for a lot longer yet. He has put this marvellous book together and it provides very easy to understand conversions from the metric to the imperial systems.

As well, in chapter 3 there are tremendous tips on hard or silver soldering, cleaning metal, soft soldering, softening old glues and all sorts of other wonderful things such as that. I thought I would give him a plug here in the Main Committee of the House of Representatives, but, moreover, seriously celebrate Lionel Otto’s commitment to encouraging young people to follow in his philosophical footsteps, that effort and hard work do lead to success. I think his focus is an inspiration for a lot of young people.

I would also like to detain the House for a moment to record my lament at the passing of Lady Killen, Jim Killen’s longstanding wife. Almost 50 years of marriage came to an end just two weeks ago when Joy passed away as a result of a tremendous and horrible stroke she suffered following an operation in Brisbane. She was part of a generation of nation builders following the Second World War. For 28 years Jim Killen served as the member for Moreton—as he called it, his parish. His wife was a bit like a country minister’s wife, always by his side and offering assistance.

I know that people around Tarragindi and Wellers Hill are lamenting her passing tremendously. I know the Liberal Party in Queensland is too. She was a founder of the Young Liberal Movement and the Women’s State Council. She will be sorely missed. I think it is right in this parliament that we record her passing today.

Health: Immunisation

Mr Griffin (Bruce)—I rise today to make some comments regarding issues of immunisation and vaccination in our community. I will start off by giving the Minister for Health and Aged Care a plug: it is certainly true that he has made vaccinations an issue he has highlighted in his time as minister and he has certainly worked to get the rates up. I congratulate him on that, but that is about where the congratulations end.

I would like to raise a couple of issues on immunisation. One is that the minister, in an answer to a question in the House a couple of days ago, gave me a bit of a clip over the ears with respect to some issues that I had raised in the Daily Telegraph on immunisation, in particular because he felt that I was spreading confusion on the question of the differentiation of vaccine combinations between one state and the other. The word ‘confusion’ actually came from an answer provided by the department to a question in Senate estimates. It was the department that was saying there was going to be confusion relating to this change and therefore there was a need for an education campaign to highlight that problem and that confusion.

But the real issue is that we should not have a system whereby different states are going to be allowed to tender for different combinations that are not interchangeable. If someone moves from one state to another where there are different combinations—as, for example, it appears likely, between New South Wales and Victoria—the circumstances are that if their children are midway through a vaccination program they will not be able to change over to the combination provided in that state. They will have to arrange for the combination that is provided in the state they originated from to be brought to their new state in order to ensure that they maintain their vaccinations. That, again, comes from the department in correcting the Senate Hansard for the Senate Community Affairs Legislation Committee. They had used the word ‘interchangeable’ and then had to come back and say, ‘Actually, that’s not correct. It is the same equivalent in outcome.’ The clear point there being: equivalent in outcome if completed as one process, but not equivalent in outcome if you change from one state to another and end up in a situation where you are using different sets of state vaccines. The government has got to do something about that. I think it is a change which is unnecessarily...
confusing. That is not only my view, it is also the view of the AMA and it is something this minister should address, rather than just giving me a biff in parliament.

On another issue that follows on from that, the minister made an announcement on Tuesday about hep B vaccinations being made available for infants. That is a great thing and, again, I congratulate the work the minister has done in this area. Of course, it was recommended in 1996 by the NHMRC and it has taken since 1996 to actually get that up. An earlier example of that is the acellular pertussis vaccine which was approved by the NHMRC; it was another 12 months before the minister got around to heralding it as a great advance. It was a great advance but the government moved too slowly on this issue.

Holden, Mr Charles and Mrs Lizzie

Mr NEVILLE (Hinkler)—In this job we are sometimes privileged to be part of significant events: the turn of the millennium, the visits of President Clinton, President McAllesse, the Queen and the Duke, and the welcoming back of our INTERFET forces from East Timor. But nothing can quite prepare you for meeting a couple on their 75th wedding anniversary—not 50 or 60, mind you, but 75 years of unbroken and loving commitment. Obviously well ahead of their time, this couple said that the secret of their success had been the equality of each other in the marriage.

I refer to Charles and Lizzie Holden, nee Foster, both in their 98th year, who were married on 18 March 1925 at Bullyard, near Gin Gin. True Aussies in every sense of the word, Mrs Holden is one of 10 children and Mr Holden is one of eight. Lizzie stood by Charlie as he worked in tough, backbreaking work like clearing harsh scrubland by hand, cane cutting, working in the civil construction corps during the war and, in later years, in plumbing. In fact, he only gave up driving at 97 years of age. On 18 March, complete with floral arrangement, I visited them at their Weipa Street home in Bundaberg. Lizzie, though very bright, was somewhat slowed by arthritis. But Charlie was a vision. He met me in shorts and joggers and greeted me with a handshake like a Stanley vice. He put this down to exercise over his 97 years and then instructed me on how I might lose some weight.

Mr Rudd—Good advice!

Mr NEVILLE—Yes. I was deeply touched to see this marvellous couple, surrounded by their friends and visiting relatives. Mrs Holden’s daughter wrote me a note saying how much they appreciated the flowers. It was a privilege to give them, quite frankly. She said:

I am kept busy keeping the water up to them and spraying them to keep them as long as possible so that they can still look great. Your visit was the highlight of their day, so a big thank you for coming.

All I can say is that it was a great privilege.

Griffith Electorate: Carina Meals on Wheels

Mr RUDD (Griffith)—Yesterday, in my electorate of Griffith in Brisbane, we celebrated the 20th anniversary of the establishment of Carina Meals on Wheels. Unfortunately, I was not able to attend those celebrations because of my presence here in the parliament in Canberra. Carina Meals on Wheels has been operating for this full 20-year period. Over that period of time, it has distributed 380,000 meals to the residents of Brisbane’s south side.

Carina Meals on Wheels was established after a community meeting convened by the then state member—and still the state member—Terry Mackenroth, on 30 March 1980. A plaque was presented yesterday honouring this 20 years of service by the Queensland State President of Meals on Wheels, Mr Ken Edwards. There was also a presentation of badges for those who had provided 20 years of continuing service to that organisation. Badges were presented to Diana Armstrong and Alan Blandford. Mr Blandford is the treasurer of Carina Meals on Wheels and has occupied that position for the full 20 years of its operation. He was one of the
three people who initiated the establishment of Carina Meals on Wheels after that initial meeting back in 1980.

Badges and certificates for 20 years of service were also presented to Dot Cragg, Yvonne Day, Claire Millar and Margaret Kidd. Also, Carina Meals on Wheels have honoured the contributions of another 38 members of their volunteer staff who have provided service to that organisation for more than 10 years. Beyond that, Carina Meals on Wheels owe their operation to the continuing contributions of 130 volunteers. All of these individuals are to be congratulated for sticking to an important community task and adding their shoulder to the wheel, not just when organisations are established, but when the hard work is done—when it comes to ensuring that the mission of the organisation continues through to conclusion.

We should also honour the contribution by the current committee of this organisation: its president, Mr Jim Harrison; its coordinator, Mrs Gail Fleming—Mrs Fleming has also been with Carina Meals on Wheels almost continuously for that whole period of time; its secretary, Mrs Mary McDougall; and its treasurer, Alan Blandford. In this financial year, the branch delivered 31,527 meals. A record number of meals are being delivered as we speak. There are currently 180 clients on the books and 140 meals are served each day. Carina Meals on Wheels has already won three South East Advertiser business achiever awards. The contribution of this organisation in my community and of those who set it up and who have staffed it for such a long period of time deserves to be commended by all of us here.

In conclusion, I add my bipartisan support to the comments made previously by the member for Moreton on the passing of the wife of Sir James Killen in Brisbane. Sir James Killen is from the other side of politics. We honour him, however, as a previous member of this House. On behalf of my family and me, I pass to him our condolences on his wife’s passing.

Centre for Rural and Regional Innovation

Mr CAMERON THOMPSON (Blair)—I want to take this opportunity to alert members to one of the fantastic outcomes of the regional summit, which was held some little time ago now at the instigation of the Deputy Prime Minister. I am referring to the proposal to develop the Centre for Rural and Regional Innovation, which I think is an absolutely fantastic proposal. The partners in that are the University of Melbourne and the University of Queensland, each of which provided $200,000, which was matched by DETYA, to fund the establishment of the Centre for Rural and Regional Innovation. The vice-chancellors of the University of Melbourne and the University of Queensland—Professor Alan Gilbert and Professor John Hay—have entered into the spirit of this venture, and I must say that it has fantastic potential for rural and regional areas of Australia.

Under this initiative, the potential exists to train up to 5,000 people from rural areas over a five-year period. The whole intention of it is to empower people in rural and regional areas by building within them the knowledge with which to solve the problems which beset those areas and to do that in a way that is appropriate to those areas, and not in a manner that might be seen to be coming down from an ivory tower in a capital city somewhere.

The University of Melbourne and the University of Queensland are being supported in this proposal by a range of other universities—the University of New England, Central Queensland University, Sydney University through its Orange Agricultural College, Adelaide University, James Cook University, the University of Tasmania, the University of Southern Queensland and the University of Western Australia—as well as by the CSIRO’s Division of Tropical Agriculture, the CRC for Tropical Savannas and the Australian Rural Leadership Foundation. The depth of recognition out in the community shows just how much potential there is in this venture.
We are talking about programs being delivered regionally in a coordinated way using the best resources of the various member universities to deliver the training that people really seek in order to develop the region that they are concerned with. One of the big things which we must credit this proposal with is that the vast bulk of the money that goes into it will provide for people to access scholarships and to access the services of the CRRI—the Centre for Rural and Regional Innovation. It is a wonderful proposal which will facilitate rural industry regeneration, improving and managing ecosystems and developing rural and regional communities. I commend the proposal and I hope that members get behind it and continue to support it as it develops.

CUSTOMS TARIFF AMENDMENT BILL (No. 3) 1999

Second Reading

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

That the bill be now read a second time.

Mr KERR (Denison) (9.58 a.m.)—The opposition supports the Customs Tariff Amendment Bill (No. 3) 1999. It is a bill of no political controversy whatsoever. The only swingeing criticism I shall make is that schedule 2 has to reinstate tariffs which were removed. That is obviously occasioned because insufficient inquiry was made of those who might be affected. A minor tariff of up to a five per cent rate of duty on goods in certain areas is being reinstated. This includes certain drawing, marking-out and mathematical calculating instruments; rulers of wood or plastic and steel tape measures; certain gas, electric and liquid meters; and certain machines for balancing mechanical parts and electrical test benches.

Those were items for which tariffs were entirely removed. But after later representations from industry sectors, which pointed out that existing Australian manufacturers would be adversely affected by that removal, the government is reinstating the minimum rate of five per cent. We certainly make no objection to that. Plainly, it was an unintentional error that led to the removal in the first place because the government announced that, where there were competitive Australian industries, this removal would not be applied. They are correcting an error.

This legislation that comes before the parliament now merely gives effect legislatively to an announced government response of some time ago. The practical consequence has been that these tariff changes have been put in place for some time. The industry that was affected is satisfied by those responses. So the opposition makes no point other than to say it was unfortunate that insufficient checking was made in the first place so that this toing-and-froing in relation to these measures was unnecessary.

The rest of the bill is of even less controversy. It does some technical and administrative tidying up of the legislation. Mr Deputy Speaker, despite my thoughtful, reflective and normally provocative contributions to this parliament, I think I would be hard-pressed to justify it to yourself and those present to try to extend my remarks much beyond the 2½ minutes that I have reached now. Certainly to take up the whole 30 minutes would stretch your patience and my ingenuity past all reasonable bounds. With those small remarks and with the decency of an effective and constructive opposition, I indicate the opposition will support these measures.

Mr DEPUTY SPEAKER (Mr Nehl)—I should inform the honourable member that the chair’s patience is much greater than his ingenuity.

Mr SCHULTZ (Hume) (10.03 a.m.)—At the outset I thank the member for Denison for his bipartisan support for the Customs Tariff Amendment Bill (No. 3) 1999. It is most unusual for me, after over a decade in politics, to be standing up to talk on something that is not controversial and that has bipartisan support. I rise to speak on the amendments to the Customs Tariff Act 1995 which were previously tabled in the House and which now require incorporation into the act. The changes are important for a number of reasons and, quite
rightly so, are not controversial. I will touch on those changes. I would firstly like to outline
the alterations. The Customs Tariff Amendment Bill (No. 3) 1999 contains three schedules of
amendments. They are as follows: schedule 1, which was operative from July 1999, inserts in
chapter 57 of schedule 3 to the tariff act an additional note to ensure that all textile mats, rugs
and the like are classified within that chapter.

Schedule 2, which was operative from 3 September 1999, reinstates a five per cent rate of
duty on a range of goods in chapter 90. The rate of duty on these goods was reduced to three
per cent in September 1998 following the implementation of recommendations of the Industry
Commission report on the medical and scientific equipment industries. The goods on which
this action is being taken are certain drawing, marking-out and mathematical calculating
instruments; rulers of wood or plastic; electrical test benches and machines for balancing
mechanical parts; and gas, electric and liquid meters and steel tape measures.

Schedule 3, which was operative from October 1999, implements the government’s
decision in relation to the tariff recommendations contained in the Industry Commission’s
report on packaging and labelling. This action removes the customs rate of duty on steel, tin
plate and aluminium can sheets used in the manufacture of aluminium cans.

The government has been considering these duty amendments for some time now, and they
all have the support from the relevant industry bodies. Why? These schedules bring a level of
fairness to customs tariffs which were previously unbalanced, particularly within the scientific
equipment industries. It is important to note that the change that is outlined in schedule 1 of
this amendment, specifically to chapter 57, is revenue neutral as it reinstates the previous
classification principles. This change has taken place mainly because of the government’s
commitment to ensuring its classification of goods conforms with the international
‘harmonised’ interpretation. By ‘harmonised’ I refer to the international system of classifying
goods which was developed in response to a need for a systematic and internationally uniform
classification of all goods found in international trade. The actual change in schedule 1 inserts
an additional note which requires importers of textile rugs, mats and similar articles to
classify them as ‘other textile floor coverings’. This ensures Australia’s compliance with the
international harmonised system.

When the government implemented the recommendation of the Industry Commission in its
review of the medical and scientific equipment industries, it stripped the five per cent duty
from a wide range of goods, some of which were not medical or scientific equipment. This
removal created an inequality within the industry because some producers of the non-medical
and scientific equipment were experiencing an adverse effect to their manufacturing
profitability. Schedule 2 corrects this inequality by reinstating the five per cent rate of duty on
specified goods. These goods included gas, electric and liquid meters and steel tape measures.

The removal of the customs tariffs on steel tin plate and aluminium can sheets used in the
manufacture of aluminium cans, as suggested in schedule 3, has been initiated for very good
reason. I am sure my parliamentary colleague the member for Murray, Dr Stone, will have
something to say about that because, like me, she has industries within her electorate that use
a considerable amount of aluminium tin plate.

The removal of the tariffs was the result of an Industry Commission report on packaging
and labelling which was handed down to the Assistant Treasurer in 1996. The commission
found that the Australian producers of tin plate and can sheet were internationally
competitive; the removal of tariffs would enhance the performance of the user industries
without significant adverse effect to metal manufacturers; the major industries that would
benefit from the removal of tariffs would be the canned food and canned beverage industries.
The changes that have flowed from these recommendations should result in lower input costs
for the food and beverage canning industry, which should subsequently improve the
competitiveness of this industry and lead to increased exports of these products. I know that we all, on both sides of the House, look to that positive outcome in the future.

These amendments, specifically the removal of these customs rates of duty, are further proof of the government’s commitment to lowering business costs and helping in developing competitive Australian industries, while providing consumers with improved priced products. I thank members of the opposition for their contributions and for the bipartisan way in which they have agreed to these, as has been quite rightly pointed out, non-controversial amendments to this bill. I look forward to a positive outcome as a result of the initiatives undertaken by the government.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (10.08 a.m.)—I would like to sum up this debate on the Customs Tariff Amendment Bill (No. 3) 1999 by saying that all the amendments contained in this bill are currently in effect by way of current tariff proposals. The purpose of this bill is to enact these amendments, which are non-controversial. As we have heard from the member for Denison and the member for Hume, these are the sorts of amendments which make our Australian enterprise more competitive. They are sensible amendments. I want to thank them for their strong bipartisan support.

These amendments are all about the government recognising the need to be aware of and addressing trade assistance issues on both a national and sectoral basis. We recognise once again that in order to be competitive internationally we have to encourage free trade and we have to encourage all of our industry sectors to be competitive wherever they are operating. This bill makes sure that we have done our best to be absolutely equitable on all sides.

The five per cent duty has been removed from steel tin plate and aluminium can sheet used in the production, in particular, of food and beverage cans. The member for Hume referred to this as a very significant amendment for our food manufacturing sector, one of the sectors which takes advantage of our great natural resources in Australia, our clean green food production that is all the time being increasingly exported at premium prices. We have always had this substantial cost of the fabrication of the metal cans in the food processing system. This action has lowered input costs for the canning industry, is helping to develop more competitive industries and is, at the same time, providing a better priced product for the consumer.

Perhaps it is no accident that last year, in my electorate of Murray, our two local canneries, SPC and Ardmona—household names in Australia—enjoyed their most profitable years on record and they are looking forward to a bright future. Amendments like this make sure that food manufacturing in Australia goes from strength to strength.

The reimposition of a five per cent rate of duty on certain meters, drawing instruments, tape measures and mechanical balancing machines is in response to the concerns of some Australian manufacturers. This amendment will assist those manufacturers to maintain their economic viability in the face of overseas competition.

As I said at the beginning, all of the amendments in this bill are currently in effect by way of current tariff proposals. This is a very important bill, albeit most uncontroversial in the sense that all sides of our House agree that this bill should be expedited forthwith.

Question resolved in the affirmative.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.
Debate resumed from 16 March, on motion by Mrs De-Anne Kelly:

That the House take note of the report.

Mr MOSSFIELD (Greenway) (10.12 a.m.)—It gives me great pleasure to speak on this excellent report, entitled *Time running out: shaping regional Australia’s future*. I have listened to a number of the members of the House of Representatives Standing Committee on Primary Industries and Regional Services speak on it and I have been very impressed with the work that has been done. I would like to touch on a number of areas in the report, certainly regional leadership and the need for road infrastructure, and possibly the issue of airports.

I want in particular to relate the report to the area that I represent, Greater Western Sydney—in itself a region. I will give a brief word picture of the region, which is some 72 per cent of Sydney’s metropolitan area. It goes up to the Hawkesbury in the north, to Wollondilly and Campbelltown in the south, to the Blue Mountains in the west and to Parramatta in the east. It is a very large area. As the report indicates, there is a need for regional leadership, and I suggest that that leadership is being provided to a great extent by the Greater Western Sydney Economic Development Board.

The board was established originally by the state Liberal government and has been continued by the Carr Labor government. I am pleased to have been a representative of the Labor Council of New South Wales on the original board, which at that stage was capably chaired by Mr Bill McNamara, who was a major business person in the area. The board is now chaired by Mr Bosnjak, who is also a senior businessman in the area. It is an excellent board, providing great leadership for the area.

I will touch on two areas of infrastructure that the Greater Western Sydney is giving some consideration to. In particular, I draw to the attention of the chamber, and of the minister and the shadow minister responsible for road construction, the Western Sydney orbital road.

Greater Western Sydney has a population of 1.5 million people and some 60,000 businesses and is now one of Asia-Pacific’s premier centres for economic development, global trade and capital investment. But economic development is still being retarded by inadequate road development. Western Sydney’s population is expected to grow by nearly 400,000 over the next 20 years, and a start must be made now to expand the road transport network in Western Sydney.

The proposed Western Sydney orbital will provide a road link between the M5 and the Hume Highway at the Crossroads near Liverpool and the M2 at Seven Hills in the north. It will also connect with the M4 at Eastern Creek. I have been encouraged to raise this matter again by a recent survey conducted by the NRMA which reveals significant levels of congestion on the current route serving as the Western Sydney orbital between the Crossroads and Pearces Corner. The NRMA report states:

The Western Sydney orbital would improve travel time, reduce congestion and crashes, provide better freight movement, boost employment and contribute to the economic development of Western Sydney.

The Western Sydney orbital will link Australia’s major freight route, the Hume Highway, with major employment and production areas in Western Sydney and also supply intersuburban road transport movements and traffic relief across the Sydney metropolitan region. The survey reveals that the worst congestion occurs in the morning peak on the southbound run, where 27 per cent of the route experiences speeds below 30 kilometres per hour.
The NRMA survey has identified congestion hotspots, for southbound travel, as Thornleigh to Pennant Hills—Duffy Road to Boundary Road—in the electorate of Parramatta; West Pennant Hills (Thompson Corner) to Carlingford—Castle Hill Road to North Rocks Road—in the electorate of Mitchell; North Parramatta (Kings School)—Russell Road to James Ruse Drive—in the electorate of Parramatta; Wentworthville—Smith Street to the M4—in the electorate of Reid; Merrylands West to Woodpark—Merrylands Road to Woodpark Road—in the electorate of Reid; Fairfield West—Hamilton Road to Sharpe Road—in the electorate of Prospect; Cabramatta to Liverpool—slow sections from Cabramatta Road to Hoxton Park Road—in the electorate of Fowler; and Liverpool—Reilly Street to the M5—in the electorate of Fowler and Werriwa. So you can see that congestion is occurring across quite a number of electorates in Western Sydney.

The NRMA survey conducted in October 1999 found that the 40-kilometre journey from the F3 at Pearces Corner near Hornsby to the Crossroads took one hour, 20 minutes and 34 seconds, an average speed of 29.9 kilometres per hour. The journey in the opposite direction took one hour, nine minutes and 54 seconds, an average speed of 34 kilometres per hour. The journey time was the average time taken by 10 cars travelling in each direction in the morning peak traffic. A spokesman for the NRMA has stated:

The Federal Government has tried to argue that the orbital was necessary infrastructure for Badgerys Creek Airport but it is necessary now on the grounds of congestion, freight needs, road safety and employment.

I also draw to the attention of the Main Committee that, with the considerable opposition to an airport at Badgerys Creek from the public and right across the political spectrum—I have to say that certainly within the Labor Party there is strong opposition; I know from talking to some of my colleagues in the Liberal Party that there is also opposition in that party; there is strong opposition from community groups and church groups—and irrespective of what decisions the government might make on this question in the future, we do not believe the debate on the Badgerys Creek airport should have any impact at all on, and certainly not cause any delay in, the construction of the Western Sydney orbital.

The enormous population growth taking place in Greenway and other parts of Western Sydney must be supported by transport infrastructure. The latest information from the Australian Bureau of Statistics proves that the population growth rate for Greater Western Sydney far exceeds that of Sydney or Australia. With around one-quarter of its population below the age of 16, Greater Western Sydney will remain a focal point for employment, investment and training for decades to come.

For the full potential of Greater Western Sydney to be achieved, it must have good public and road infrastructure. I will conclude my few remarks on that subject by referring to the NRMA’s report, which states:

In light of the Western Orbital’s status as a national highway the federal government should support this project. The deficiency in the road system must be addressed immediately if the Western Sydney and NSW economy is to be genuinely developed.

I would like to move on to another subject that I intended to speak about this morning, and it relates specifically to the question of the proposed second Sydney airport. One of the reasons initially put forward for the airport to be built at Badgerys Creek was the employment opportunities. I believe this is really an excuse rather than a reason. The main reason that the Badgerys Creek site was selected in the first place was that at the time the site was far enough away from major residential areas to not be a political problem, yet close enough to the Sydney CBD to minimise infrastructure costs. Certainly the former argument does no longer stand up. It should be remembered that employment opportunities go to the people with skills, not necessarily to those people who live under a flight path or live near an airport. Any net job
The aircraft industry itself is a highly technical industry rather than labour intensive one, where employment is likely to fall rather than increase over the years. Over time, there is likely to be an increase in the technical side of the industry and a decrease in the labour force. In his excellent book, *Airport Economics*, Leon Warren, a member of the Campbelltown Airport Group, points out the weakness in the argument concerning job growth. He refers to the claims of a predicted job growth as the result of a third runway at KSA. Mr Warren states:

The Department of Arts, Sports, the Environment, Tourism and Territories in its environmental assessment report on the third runway, noted that an estimated 17,500 jobs could be generated in the airport subregion between 1995 and 2010 as a result of the operation of the new runway, with a further 27,000 jobs generated in the wider Sydney region.

No attempt has been made to measure the employment impact of the third runway, but productivity gained and reduced employment numbers have been reported for the FAC and airlines. The FAC has reported employment reductions during the period. The annual report shows that in 1996-97 the total work force in the industry was 1,180 compared with the 1992-93 figure of 1,366. At the same time, passengers per employee rose from 34,271 in 1992-93 to 51,316 in 1996-97. We have seen over this period an increase in passenger movements but a reduction in the work force. What should also be understood about employment in the aircraft industry is that much of the maintenance work on aircraft can be performed overseas. I notice from press reports, even at this time, that there is a dispute in the industry. The unions are expressing concerns about the companies moving their aircraft overseas to have maintenance work done as this is taking work away from the Australian work force.

Qantas currently has a large jet maintenance facility at KSA and there are a number of maintenance and service facilities at Bankstown airport. If forced to relocate to a second Sydney airport, Qantas could move its maintenance facilities to Brisbane, Melbourne or Auckland. Australia does not build international aircraft—all equipment for aircraft is imported. The maintenance of aircraft could be transferred, as I have indicated, to many overseas locations.

The creation of large retail outlets at the international airport does not result in a net increase in employment opportunities for local residents. The effect is that local retail facilities are sucked into an international airport complex, similar to the effect that major suburban shopping complexes have on local strip shopping centres. The figure used by the pro-Badgerys Creek lobby group to predict employment growth as a result of a Sydney second airport at Badgerys Creek is, in my view, greatly exaggerated. Due to globalisation, the aircraft industry would appear to be an unreliable source for increased employment opportunities in Australia. The Very Fast Train project to link Melbourne, Canberra, Sydney and Brisbane has the potential to create more employment opportunities than expanding our aircraft industry. From listening to other speakers on this report, I understand there is some support for that Very Fast Train link. I certainly would like to add my support to that project.

The most important impact of the failure of the federal government to make a decision on Badgerys Creek airport, if it is deferred, is the question of the reduction of funding for the Western Sydney orbital. It is estimated that, by the year 2012, Western Sydney will have a population greater than the rest of Sydney. The final question I put to this parliament is: if the federal government were looking for the first time for a suitable site for Sydney’s second, 24-hour non-curfew international airport, would it put it in the middle of Sydney’s fastest growing residential area? I suggest not.

**Mr KATTER (Kennedy)** (10.26 a.m.)—I would like to congratulate Mrs Fran Bailey and all the members of the House of Representatives Standing Committee on Primary Industries and Regional Services who travelled to the very far-flung parts of Australia—to the north of...
Western Australia, to Tasmania, to the Gulf country of North Queensland—at very great cost to themselves, to listen to the problems, the ideas, the solutions and the suggestions being put forward by the people there. They listened and they got the message because this report, *Time running out: shaping regional Australia’s future*, is the first clear-cut statement of a pullback from the mad, obsessive ideology of national competition policy. I do not think there is anyone who denies that there are certain aspects of that policy that have had some beneficial effects for Australia. But the overall picture now is that to continue with that same obsessive commitment to that ideology will utterly destroy rural Australia. And I do not think that that is an exaggeration.

In western Queensland, the last census figures showed every single sector of every statistical division had lost population. That has been going on now for some 20 or 30 years. There was a good reason in the first five or 10 years, but that was just simply a change from wool to cattle that evened itself out and our population for a little while began to grow. Then in 1983 there was the election of the Labor government. I know there are certain elements of the Labor Party which were very antagonistic towards the policies of Mr Keating, who almost certainly had a driving obsession with free competition, for the sake of a better word. On the question of free competition, in the very first examination in economics that I did at university, I was failed because I had not put in the principles. When I look back on it, the lecturer was quite correct in failing me because you have to understand that, if you pursue a policy of free competition but your competitors do not, then you do not have free competition. And that, of course, is what is happening to us in Australia—that, coupled with the fact of the vast, almost overwhelming power of America.

We are not like America. We do not have checks and balances. We do not have protection mechanisms such as geographical weighting of remote electorates, which every other country in the world has. That has been removed. We are now the only country in the world that has all electorates of equal size. That means we do not have the checks and balances system of the United States or the weighting and protection system that is built in to other democracies, such as Great Britain. For example, the Orkney Isles has 22,000 electors while East London has 120,000 electors and both of them have a member of parliament. In Canada, Nunatsiaq has 20,000 electors while a Quebec seat has some 100,000 electors. We do not have that situation in Australia. It is a matter of winner take all without the checks and balances system. So the big cities, Sydney and Melbourne, take all, and we get nothing.

An interesting aspect with respect to national competition policy was Hilmer’s report on transport, which I think came out in 1987—the Industry Commission’s report on transport. Two of the major thrusts of that report were that, if we abolished taxi licences, we would cut $2 from the cost of a taxi fare; and then there were the tremendous inefficiencies that were built into the commuter transportation systems in Australia’s cities. The figure that he effectively put on the cost of the subsidies to the commuter transportation system was $4,000 million.

During the inquiry chaired by Mrs Bailey, when I raised the figure of $4,000 million, I was corrected by two people at the table who pointed out that the figure is not $4,000 million; it is $6,000 million. Hilmer introduced national competition policy to fix some of these inequities in the Australian system. Most certainly, we were driven to a user-pays principle in rural Australia, but there was no such driving of people in Sydney or Melbourne. Let us be realistic: no government could possibly afford to introduce a user-pays principle to the commuter transportation system. They would immediately cease to be the federal government of Australia or the state government of the state involved. So free competition came to rural Australia, but it never came to the cities.
In the sugar industry, we had protection from the huge subsidies of our competitors, and that protection was completely removed. For the corresponding industries of textile, footwear and clothing and the motor vehicles, that protection has remained. In other words, we applied the principle of national competition policy to rural Australia, where we do not have power, whereas in the cities, where they do have power, that principle was not applied.

Even if we remove those two effects, national competition policy has resulted in the control tower and the fire brigade tender at Mount Isa being removed from the airport, and some 50 or 60 jobs being removed from what is one of the busiest regional airports in Australia. In Brisbane, we saw a magnificent $200 million or $300 million edifice being put up in order to look after international tourists. Again, the cities were able to get more money and development as a result of this policy, whereas rural Australia lost what they had.

Mr Deputy Speaker, I repeat something that you have quoted in a number of meetings this week. An Australian sugar farmer is receiving about $180 a tonne for his sugar; a Brazilian farmer is receiving about $300 a tonne for his product; a Thai farmer is receiving about $500 a tonne for his sugar; an American farmer is receiving about $650 a tonne for his sugar; and a farmer in Europe is receiving $1,090 a tonne for his sugar. Mr Deputy Speaker, those figures which you have cited represent a resounding argument against the appalling stupidity of continuing with such a policy.

I remember in the great debate over whether we would close all the timber areas in North Queensland—the world heritage debate—a lot of people said that we would be importing timber into Australia if we proceeded down this pathway. I did not use that argument because I did not think that we would ever be a net importer of timber into this country. That was ridiculous—if you fly in an aeroplane you will see that the whole country is covered in timber. That is less true of that third of New South Wales that has been cleared and that half of Victoria that has been cleared, but if you look at the continent of Australia they are pretty small areas, they are not the vast bulk of the surface area of Australia. In fact, my own homeland, the mid west, is now covered in trees. There are 700 kilometres—nearly 1,000 kilometres—of trees, whereas there were no trees when European settlement came to Australia. But what happened? We became, as everyone is aware now, a net importer of timber. The other day in Mount Isa I rang up to get prices for Australian medium hardwood timber and they said, ‘We don’t stock any Australian medium hardwood timber.’ I said, ‘You must have stocked some recently’ and they said, ‘No, not for six or seven years now, it’s all Indonesian and South-East Asian timber.’

I must say this, and I do not like saying things that most people would not believe, but we will be a net importer of food in this country within 10 years. There is no doubt about that. Our industries simply cannot withstand the firepower of those sugar figures that I have just given. We might hold out for a few years because we are super efficient. If you go through the sugar fields of Australia you will see the most efficient industry in the world. There are no people, it is all mechanical. It is a magical industry, it is all economies of scale—huge, giant loaders that do everything mechanically on a massive scale. But we cannot hold out in the longer term. There is just no way that we can survive that sort of firepower in the longer term.

I will give one other example. We complain about the Americans because they allow only 380,000 tonnes of beef into the United States, where there are 230 million people. But Europe, with 560 million people, allows in 7,000 tonnes—just a tiny 7,000 tonnes. One of my neighbours on a cattle station that we had, Reggie Petricion Junction Creek Station, in a good year will produce 7,000 tonnes. That is all we are allowed. We just cannot withstand that sort of firepower. They let nothing in, so they can charge very high prices for their
product; they get this very high price for their product, that enables them to dump that product on the world market competing against us. We cannot survive.

There was a very famous biologist, for the sake of a better word, called Lamarck. Lamarck was a Frenchman. He decided that environmental pressure upon a plant or an animal would modify the genetic composition and that modified genetic composition would be passed on to the next generation. That became Lamarck’s theory. When Russia was taken over by the communists, this was a very appealing principle to them and they introduced Lamarckian principles into agriculture in Russia. So they gave no assistance to the plants whatsoever. There were no pesticides, there was no fertiliser, there was not even a lot of irrigation. They believed that they would breed a tough plant and this plant would be able to prosper. After 7½ million Russians had starved to death they decided that Lamarck’s theory was not such a good idea. It was replaced, of course, for intelligent-thinking people by a more sophisticated Darwinian approach, which I think Robert Ardrey and people like Konrad Lorenz have probably modified even a little more.

What we have in Australia today is a policy of Lamarckian economics. We can all survive out there with the government standing aside and watching as if it has nothing to do with those people at all. Chalmers Johnson said in his very famous book *MITI: The Japanese economic miracle* that the industrial policies in Western countries are ones of regulation: we stand aside and just regulate to see that it all works out fairly in the end. The Japanese industrial policy is one of development: ‘It is our job to get in there, develop and create wealth and prosperity for the people of Japan.’ Let us compare the performance of those two economies.

In Australia the average income is some $20,000. When we launched this policy it took 700 yen to buy an Australian dollar and the Japanese had a comparable standard of living at about a third of what an Australian enjoyed. I am not talking about a long time ago but about some 20 years ago only, and even probably less than that. In fact, in John McEwen’s last year as the dominating figure in Australian economic policy it took 700-odd yen to buy an Australian dollar. Now it is 70 yen to buy an Australian dollar and it went down to almost 60 yen recently.

This is a figure that shows how successful those people are. The last year I looked at the Japanese economy, which I think was the year before last, it had a current account surplus of around $300,000 million, the biggest trading surplus ever recorded in world history. We, on the other hand, this year have a $36,000 million deficit. Without the government providing the infrastructure items of electricity and ports and, most importantly, water, we simply cannot grow in this country. We are like the Chinese woman’s foot: bound up in bandages it simply cannot grow. I commend the report to the House.

**Mr WILKIE (Swan) (10.42 a.m.)—**Firstly, I congratulate the House of Representatives Standing Committee on Primary Industries and Regional Services for producing this comprehensive report entitled *Time running out: shaping regional Australia’s future*. The staff and the members of the committee are to be congratulated for it. We note that the reduction in the public sector of 40,000, reductions to the staffing of Telstra and the cuts to the branches of the banks, amongst other matters, have literally belted the regions. Another of the government’s actions should not be lost on the public. It was this government that closed the Office of Regional Development. That was one of the first actions of Mr Howard. It abrogated all its responsibilities to the market and it did not work.

The government’s great faith in market forces has seen regional and rural forces gutted. Only now, when electoral defeat looms, are they even considering action. The report by the Primary Industries and Regional Services Committee on shaping regional Australia has highlighted the need for government to keep services decentralised, yet at the same time the government is doing the opposite. My electorate of Swan has a prime example of
centralisation gone mad. I refer expressly to the closure of the Cannington taxation office and
the move to shift its entire operation to the current ATO head office in Northbridge in central
Perth. It does not make sense to me that the removal of the office of the Australian Taxation
Office at Cannington can assist the department in operating at its most effective level and the
move directly contravenes the recommendations contained within this report.

There have been many suggestions made that it is apparent that the government has little
appreciation of the strategic picture. A number of deficiencies have surfaced in the grandiose
plans that the Howard government has for the community. One such deficiency lies in the
human resource management policies of the taxation department. The agency will have to
recruit, train and provision the staff within the taxation and customs offices nationally in an
exceedingly short time frame. It is assumed that all the appropriate instruments are in place—
budgetary allocations, curriculum development, training officers employed, venues hired and
resources allocated—to ensure the system will work efficiently.

However, I am concerned—as a result of conversations I had on a recent visit to the tax
office at Cannington—that many of the current serving staff know little or nothing of the
training or have not had the opportunity to have any input into the process. They are
concerned by the apparent lack of attention to the detail of equipping the officers with the
skills necessary to fulfil their professional obligations to the community. I will continue to
liaise with the staff of the Taxation Office to ensure that the quality of the work of these staff
is not jeopardised by ad hoc recruiting, poor training or inadequate accommodation.

I mention this issue because in the next three months 80 new staff will be employed in
Perth alone to implement the excise tariff amendment bill and the customs tariff amendment
bill. The national figure is around 360. Therefore, the number of staff in the excise area alone
will rise from 33 to 113. From the contact I have had with the staffing association, I
understand that the staff will be employed in the main as officers of the Taxation Office. This
follows the transfer of the division last year from the Customs Service to the Taxation Office.
These officers will need vehicles of sufficient size for them to tour the business community.
Being on the road they will carry files, promotional literature and departmental material, and
they will probably need laptop computers and communication devices.

Cannington represents an ideal location for these officers to reside professionally. It has
generous parking and it provides easy access to the surrounding districts, with a minimum of
congestion. Of course, members on this side of the House welcome any employment creation
from the government, particularly given that it has shed 40,000 public sector jobs in the last
three years. When offices are closed in important locations like Cannington and additional
staff are to be recruited to be transferred into an overcrowded office in the city, there is
justified criticism. Serious questions have also been asked about the ability of the Northbridge
office to house the 652 staff currently employed in Cannington, let alone the additional 80
staff now being employed.

Remember that in 1991 the Cannington office was established for certain reasons. It
brought the Taxation Office out of its centralised location to the local community south of the
river—it is a recommendation in this report that we decentralise government departments.
The office was designed to serve the 350,000 people and 30,000 businesses in the southern
residential areas. Before the Cannington tax office was established, inquiries required a 30- to
50-minute drive or, for many, well over an hour on public transport into the central business
district. That is, of course, if you can call the public transport system functional after Mr
Court brutalised it in the same way that Mr Howard has battered the public sector.

The siting of the office was based on good commercial practice due to it being a modern
facility which included excellent community access from public transport routes. It also has
large areas for parking which provide a good working environment for staff. I have made
criticisms that any transfer to Northbridge would compromise the potential for operators to function at peak because of congestion and lack of space. Contrast this with the Cannington office where these factors were taken into consideration by the Labor Party when we planned the operational requirements of the ATO, including the need for modern accessible community facilities and community access.

In discussions with the stakeholders in the process, including the staff, the union, the local business community and users of the Cannington facility, I have established a number of questions that the Treasurer needs to answer. Among these questions is, ‘Has the Treasurer considered that the addition of an extra 80 specialist staff will create greater pressure on the Northbridge office and further reinforce the need to remain in Cannington?’ In addition, the Treasurer needs to advise the parliament on what has been resolved over the accommodation issues, including whether he considered the additional impact of the new staff before agreeing to the closure of Cannington. Contrary to the comments of management, queries which have not been answered exist over the lease arrangements and extensions to the central office as well as the lack of space available for staff in the new office. All these issues still remain unresolved.

It is important that the Treasurer also answer questions pertaining to the negative externalities from the move. These include the increases in traffic congestion and the extra time taken in journeys for the public and staff. With thousands of extra kilometres to be travelled due to the increase in community based staffing at the Northbridge office, using the city as a base for an extra 80 officers just adds weight to the argument that the move should be reconsidered.

There is another issue that also warrants consideration. It goes to the heart of the sort of environment that this government seems to encourage. That is the dingy and opaque manner in which the original decision to close the Cannington office was made. I am sure that if the government was listening to the residents of southern Perth and had a mature human resources policy, instead of treating the staff as the undeclared enemy, then they would be in a better situation to appreciate the requirements of the community and the staff that have so effectively serviced the public.

Members may also recall that I have questioned what rate of commercial rent is paid at the Cannington office, a suburban complex, as against the Northbridge inner city office. I indicated that I also would have liked to have seen highlighted any calculations on the negative impacts of the centralising of taxation services. Further, if over 700 regular staff and thousands of customers are removed from the local area, what is the flow-on effect of the loss of that expenditure on the region?

Discussions with interested parties indicate that the impact will be as high as around $20,000 per week, which I believe is a conservative estimate. That figure is not inclusive of the loss of office rent and associated services. This is particularly relevant, given that the area has an unemployment rate 1.5 per cent above the state average and that the annual income of the majority of the population is less than $30,000. I believe that the actual costs in transferring the operations, coupled with the hidden extras, will be so high that the true costs will never see the light of day.

In summary, members on this side of the House agree that real change needs to be made in regional development policy. I call on the government to reconsider the centralisation of the organisation in Western Australia. In the light of the latest expansion, the decision has now become critical to the effective operations of the staff and their serving of the community. By continuing to embrace a decentralised office at Cannington, the ATO would continue to make ATO staff available directly to the public and provide an important, convenient access point
for the new offices as well as continuing to develop an important service that benefits the local community.

We must not lose sight of the facts. The transfer to Northbridge would create added congestion and not allow staff and local taxpayers efficient and effective representation in their area. The Treasurer and the management of the ATO in Western Australia should abandon this proposal and keep the service where it is needed—in Cannington, with the community. If you need further evidence to support this argument you need look no further than the recommendations contained within this report.

Debate (on motion by Ms Gerick) adjourned.

SOCIAL SECURITY AND VETERANS’ ENTITLEMENTS LEGISLATION AMENDMENT (MISCELLANEOUS MATTERS) BILL 2000

Second Reading

Debate resumed from 16 March, on motion by Mr Anthony:

That the bill be now read a second time.

Mr ROSS CAMERON (Parramatta) (10.52 a.m.)—The Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000 is a relatively complex series of measures necessitated by the fact that the social security legislation itself is a very complex beast. The bottom line is that the bill contains a series of savings measures, a series of new forms of eligibility, which will extend and involve costs to government, and simplification measures. It relates particularly, but not exclusively, to the portability of pension and benefit entitlements. The question arises as to what happens to the eligibility of an Australian or a permanent resident receiving a pension or benefit who travels overseas or leaves Australia for an extended period.

The Social Security (International Agreements) Act 1999 and the Social Security Act 1991 both contain provisions which govern the circumstances under which a person will lose eligibility, retain eligibility or have their entitlement reduced to some degree. The specific provisions relating to different benefits and entitlements have been, since 1973 when general portability was introduced, continually amended and changed to create specific requirements for different specific pensions and benefits, in such a way that we now have a morass of complexity in this area. A measure such as this is required to give greater comprehensibility and simplicity—for both recipients of benefits and pensions and the government’s administrators in the Department of Family and Community Services—in actually implementing the legislation.

Many pensions and allowances have a test that requires the recipient to be in Australia. That is just a simple black-and-white test: you receive the benefit while you are in the country; you do not receive it while you are outside the country. This is based on the easily comprehensible idea that the Australian government ought to be willing to stand up and take its responsibility seriously but, if a person severs their connection with Australia, that clearly has some implication on what the government’s responsibilities are.

So many pensions and allowances require an in-Australia test. Some allow temporary absence from Australia without compromising eligibility, subject to an activity test. For example, if a person who qualifies for a pension or a benefit in Australia goes overseas to work then the same activity test would apply. If that work increases their income, they may no longer be entitled to the benefit. Likewise, if they are receiving a benefit which requires them to comply under the government’s mutual obligations regime with an effort to find work test, that will also continue while they are overseas.

The remaining pensions and benefits are subject to the international portability rules which, as I mentioned, are contained in two acts—the Social Security Act 1991, which is the general...
omnibus compendium of social security legislation; and the more recent act passed last year, the Social Security (International Agreements) Act. Those two pieces of legislation have the consequence of dividing pensions and benefits into one of two categories. Those subject to the 1999 legislation are described as the agreement pensions and allowances, meaning they are subject to the international agreements contained in the act; and all remaining pensions and allowances are described as the non-agreement pensions and allowances because Australia has not executed an agreement with the country under consideration.

General portability was introduced in 1973, no doubt reflecting the fact that Australia is becoming a more well-travelled community. It is a great thing that more and more Australians at all phases of their lives, but particularly in retirement, are taking the opportunity to travel overseas. The government responded to that reality by introducing general portability in 1973. The exceptions to general portability of pensions and allowances were, firstly, the pensions that involved supplementary income assistance and, secondly, those allowances or pensions that were based on short residence. By that we mean a person who regains their Australian residence and, on the basis of regained Australian residence, applies and qualifies for a pension or a benefit and then leaves Australia within 12 months. In those circumstances, while the person may retain that entitlement to the pension or the benefit, it will not be portable.

The Director-General has had power to exempt recipients from some of those qualifications where it was felt there were particular humanitarian circumstances to justify that sort of exemption. Since 1973, when that general portability was introduced, a whole range of measures has subsequently been added in small increments along the way, adding to the complexity of the regime. For example, we have this idea of proportional portability. That means that if someone receiving a pension or a benefit is overseas for more than 12 months, they do not necessarily cease to be entitled to a pension or a benefit but their entitlement is reduced according to the proportion of time they were resident in Australia during their working life. For example, if you were resident in Australia for 80 per cent of your working life then you would be entitled to 80 per cent of the total value of the pension or the benefit. This is clearly seeking to avoid the situation where a person may move to Australia late in life, qualify as a permanent resident, work for 12 to 18 months, retire, return to their country of origin and then retain an entitlement to an Australian benefit for the rest of their lives. So proportional portability was introduced to more equitably reflect the Australian government’s obligations in relation to those circumstances.

Departure certificates were also introduced as really a compliance measure to allow a person to crystallise the moment at which the department makes a judgment about these things. A person could go and apply for a departure certificate before leaving Australia, declaring their intention to be away from Australia for a certain period of time, and then the agreement would be made up-front about what the consequences of that absence would be. Characteristically, without a departure certificate you would cease to qualify for a pension or benefit after six months, unless you had an exemption from the Director-General. The departure certificates were introduced as a measure to take out the sense of apprehension and uncertainty which Australians felt if they went overseas—in some cases, they would not know how long they would be away. Similarly, we introduced a regime of post-departure review. For certain payments we also limited or removed portability entirely.

You can see from this abbreviated summary that we are talking here about a beast of very considerable complexity. If we then look at the variation in the application of the portability regime to different payments, we see further complexity. For example, the age pension and the bereavement allowance have historically been completely portable. By contrast, the disability support pension is completely portable where a person suffers a severe disability. Where the disability is not evaluated as being severe, the pension is only portable for 12
months. Similarly, the wife pension and the special needs wife pension and the widow B pension and the special needs widow B pension are generally portable for 12 months. Sometimes, in special circumstances, they are completely portable. So what you get is the great difficulty of trying to track down these provisions in different pieces of legislation and work out what the implications are for individual claimants and beneficiaries who are asking in good faith what the implications of travelling overseas will be.

So the bill concentrates all of the provisions relating to portability in one place. It makes explicit what the implications are for each pension or benefit in a very simple and systematic way. By that centralisation and standardisation, we were able to remove a range of the compliance measures, which have been introduced since 1973, which will also greatly simplify the administration of the legislation. In the bill there is a range of purely technical amendments as there have been some renumbering errors in the previous legislation—in particular errors relating to the introduction of the ANTS, a new tax system, legislation. I suppose the parliamentary draftsmen might be forgiven for one or two renumbering errors in the most fundamental reform of the tax system that we have seen since Federation. If that is the greatest difficulty that we face, I think we will all regard ourselves as very fortunate indeed.

The bill before the chamber also extends the benefit of the government’s commitment to provide a four per cent increase in pensions to compensate for any inflationary impact of the GST. Almost all of that was achieved in the legislation for a new tax system but you will find a couple of anomalies where things have slipped through the cracks. That in particular relates to the retirement assistance measures, which have been in place for some time for farmers. Coming from a regional and rural electorate and having been a canecutter, Mr Deputy Speaker Causley will appreciate the special needs of farmers on retirement. The measure makes particular provision to ensure that the four per cent increase in a farmer’s retirement benefit is passed on which, outside of this legislation, the farmers would have missed out on. Similarly, those who receive an additional supplementary support payment were not included in the original ANTS legislation, so the minister has taken the opportunity as an equity matter to ensure that they are included here.

Likewise, the bill provides specifically for members of the Australian defence forces who might find their allowances affected by the historical portability regime. It makes specific provision to allow greater flexibility for members of the Australian defence forces who may be sent overseas, in order to ensure that they are not in any way unfairly prejudiced. That is the guts of the measure before the House.

One final area I should mention is data matching. The government has made considerable effort to ensure that those entitled to a benefit, a pension or an allowance receive that benefit or allowance, but also to tighten up the compliance regime to address what was clearly a challenge under the former government—though, frankly, with such a vast and complex regime, it is a challenge for any government—and that is to ensure that there is not abuse and fraudulent misuse of benefits and allowances. Data matching has become quite a powerful tool to ensure that the tax file number used as the operating tool or piece of machinery by the Australian tax office is also made available to the Department of Family and Community Services to match what has been declared at the tax office with the benefits being sought and received through other arms of government. This measure allows the extension of data matching to a wider range of circumstances which we believe will generate revenue savings to the government.

The bill does involve, over five years, a savings of about $110 million. In the long run, every increment that we can remove from the burden on the Australian taxpayer is, to my mind, a positive thing, particularly where it can be done with sensitivity to the equity issues, and that is demonstrated throughout the bill. I commend the bill to the House.
Mr WILKIE (Swan) (11.07 a.m.)—As we have noted the requirements for increasing payment rates, we are compelled to at least assist in supporting the Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000 pending opportunities to amend aspects as required. The interested spectator would think that, after many years of neglect, this government could do better. There comes a time when the community begins to wonder when enough is enough. For years now, this government has plundered the social security payments of thousands of the less well off and they have battered the lifestyle of veterans. According to the Australian Council of Social Service, cuts which mainly affect low income people account for more than 30 per cent of all expenditure cuts in the coalition’s first two budgets. Under the guise of simplification, the coalition has broken many of its pre-election commitments specifically in terms of not hurting the poor, the needy and the most vulnerable in the community.

Our support for the bill does not, however, diminish responsibilities for raising a number of issues today: firstly, the adverse effects that this government has had on the veterans’ community and, secondly, the failings of this government in dealing with social security matters. The bill, in reality, just tinkers at the edges. I am amazed at the length that this government will go to to save a buck, even if those savings mean hardship and loss. It will be obvious to all in this House that the bill represents a particularly complex bundle of initiatives that deal with the problems of implementing the GST. They also enforce further cuts announced in the 1999 budget relating to international portability and to an extension of the requirement to see comparable foreign payments to persons from all countries.

The measures relating to international portability include the standardisation of the portability rules, phasing out of special needs pensions and the extension to two years of the short residence rule. In total, they reduce allocations over the next three years by $80 million, with administrative savings of around $16 million. The bill makes technical amendments to the provisions of the Social Security Act 1991 which provide for the pension bonus scheme and the Retirement Assistance for Farmers scheme. I am led to believe that the government intends to use this legislation to improve the lot of veterans to the tune of four per cent in a vain attempt to compensate them for the GST. We all know it will not wash.

The bill also provides for the use of tax file numbers for data matching purposes, with the objective of strengthening compliance with the provisions of social security law. The Australian Taxation Office currently provides Centrelink with information on a regular basis. Data matching is carried out using identity data such as name and date of birth. The presentation of this bill gives me the opportunity to report to this House on the plight of many veterans in the community. I have received numerous representations from the veterans community over their entitlements and the shoddy way in which they have been treated by this government. The bill fails to address the fact that the living standards of many in the veterans community are declining.

The enactment of this bill certainly does not alleviate in any way the harsh treatment dealt out to veterans by this government. In fact, I note in recent correspondence from the Totally and Permanently Incapacitated Federation of ex-service men and women that many members expressed dismay at the constant and apparent lack of concern by this minister and the previous minister. In a recent series of communications from members of the TPI, the following matters were highlighted as principal concerns. Firstly, there is the TPI special issue rate. The TPI special issue rate needs to reflect the realities of the year 2000. The compensation received does not compare with the actual costs of living. In comparison with the male total average weekly earnings, the TPI compensation is far lower. It is only responsible that consideration be given to addressing this issue. As Mr Eric True indicated to my office last week:
Society has moved the goal posts on income, but the Department of Veterans Affairs has not recognised the changing game, and the losing team is the TPI veterans’ family. Whilst society’s typical family, with a two income base, has seen a progression into relative affluence, the TPI veterans’ family with one income base has seen a digression into relative poverty.

Secondly, Mr True illustrated that pharmaceutical benefits needed to be reviewed. TPI veterans were originally entitled to all medication free of charge. The costs and procedures for paying for pharmaceuticals through the pharmaceutical benefits scheme have increased. Some drugs have to have the approval of Veterans Affairs before the doctor can prescribe these drugs. Governments have a responsibility to ensure that they are supportive of the rights of TPIs to be cared for in the appropriate manner. Once again, the bill does not include any reference to the problem in the schedule.

Thirdly, Mr True is concerned that funeral benefits are not adequate. The current funeral benefit is set at $500 when a veteran passes away. The cost to the surviving spouse becomes a heavy burden. The solution would be to raise the amount. The TPIs have suggested that $1,500 would be more appropriate. Let all here also not forget that funerals will incur a 10 per cent GST. Does this mean that veterans will be entitled to an additional amount of compensation or will the government’s four per cent pension increase have to suffice?

Fourthly, in communications that I have had with veterans, the issue of telephone allowances frequently comes up. At present, there are a number of ex-service people in the community who receive a telephone allowance, and the people who draw the largest telephone allowance are World War I veterans because they are considered, due to age and disability, to be in need of a phone. It might be that the government needs to review the allowance for all veterans meeting disability criteria. I fail to see any evidence of this contained in schedule 3 of the bill. Fifthly, there is the issue of gold passes for travel. Reduced pension reduces the ability to travel within Australia. Concession rates for travel vary between states. There should be a national program with standardised arrangements and conditions.

Finally, in relation to the carers pension, the TPI indicates that the allowance should be reinstated to wives/partners of TPIs. It must be remembered that wives/partners who are carers save the government money by accepting responsibility for providing care, as well as accepting the enormous responsibility for the task at great personal expense. Again, unfortunately, given the impost of the GST on the veterans community, I believe the government is remiss in not using the bill to assist these veterans. We must not forget that veterans were applauded before leaving Australia’s shores to defend Australia and support peace in the world. They should be fully supported by the government of the day for this sacrifice, especially when granted compensation at the totally and permanently incapacitated special rate.

The second issue I would like to discuss pertains to social security. We all remember the $1.6 billion worth of cuts in recent budgets. They contained quite a number of measures which we in the opposition found objectionable. They do not seem to have worked particularly well.

I note, from a press release from the shadow minister, the following statistics: almost a two-month increase in waiting lists for people on benefits; the abolition of earned credits and the imposition of 100 per cent effective taxation on the unemployed; 100,000 more children growing up in families where no parent works; and over $5 billion in total cuts to social services, if we include labour market programs, education, training and child care.

There is no doubt in my mind that a number of the measures have had a very adverse effect on Australia’s social security safety net. In government, members on this side of the House had no more significant objective than to construct a comprehensive and social income security safety net. The tale has altered somewhat over the last four years. Members of the community have suffered inconvenience in service delivery and reductions in services. In
government, Labor managed to provide for needs in a way that did not impose a large burden on budgetary outlays. Our social security spending as a proportion of GDP was a bit over eight per cent. It was a relatively low proportion of GDP by the standards of most developed countries, particularly European countries. Yet we were able to reconcile that relatively low level of spending on a system which, by and large, was relatively effective as a safeguard against poverty, compared with systems in other countries that consume a far higher proportion of GDP.

How did we manage to achieve this? We placed an enormous emphasis on effective targeting of assistance. This is an area that consumed a huge amount of policy making time when we were in government. It is the way to reconcile an adequate social security safety net with a relatively low level of taxation to GDP. I fail to see any evidence of these strategies in the Social Security and Veterans' Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000. Evidence suggests that we also avoided a great deal of the so-called churning that goes on in many European countries where payments are made to people on comparatively high incomes and then recouped by other means, principally through the tax system.

I think that that was a very important achievement. The end product was a social security system that was amongst the most efficient in the world. As I have said previously, it was efficient in terms of its targeting. Of course, many would argue that this government also targets. If you are poor, a veteran, need an education or have a disability, then you are certainly a target. A great bulk of the assistance when we were in government did go to people who would otherwise have faced severe difficulties, and relatively small amounts were wasted on people who did not need that assistance. From the rhetoric offered by the minister for employment services, however, you would think that there are tribes of unemployed languishing on the beaches of this nation.

We were also an efficient system in another respect. That was in a purely administrative sense. In 1995 a group of academics based at the ANU did a comparative study of social security systems in different countries. They reached the conclusion that, of the group of 10 developed countries they studied, ours had the second lowest administrative costs as a proportion of outlays. The significance of that is that we were able to do that notwithstanding having placed a great emphasis on targeting, which you would expect to impose some sort of administrative burden.

The other area we focused on, particularly in the latter part of our period in government, was minimising barriers to people receiving assistance participating in the work force. I see no incentives in this bill. I do see, however, another $80 million over four years being taken from the expenditure on those most in need. Therein lies the heart of the matter. In implementing policy, we were not simply confining our attention to those on unemployment benefits. We were also very concerned to maximise the opportunities and to minimise the barriers to participation in work by people on disability or sole parent pensions through programs like the disability reform program and the jobs, education and training scheme, JET. We put very great emphasis on improving that access. We restructured the whole scheme of assistance to people on unemployment payments in the context of the Working Nation statement. We redesigned the income test to try to eliminate a situation where people could end up, if they raised their earnings from private exertion, losing dollar for dollar in social security entitlements over a very wide income range. That obviously was unacceptable and we redesigned the income test to address that.

We also brought in other measures to avoid people being trapped in a state of dependency on social security payments. The introduction of the parenting allowance had, as a key part of its rationale, the elimination of cases such as that where one member of a couple who are both unemployed with dependent children might be offered a low paid job full time. Under the pre-July 1995 income test structure, people would go backwards financially as a result of...
one member of that partnership or couple taking up a low paid full-time job. By contrast, I see a prominent community service organisation’s press release, ‘Government solves hardship by schedule 3 of the Social Security and Veterans Entitlement Legislation Amendment (Miscellaneous Matters) Bill 2000’. I do not think so.

Other things we did included the introduction of employment education entry payments to help people who might have the option of a job but are precluded from taking up a job offer because they cannot buy suitable clothing or work wear. In the case of people with disabilities that is a particularly serious problem. It is also a problem for people on unemployment benefits. We brought in earnings credits so that people with regular earnings through casual work do not suffer a major disincentive through the operation of the income test. We also introduced, quite late in the piece, the possibility of people on unemployment payments receiving lump sum advances to help them begin to acquire clothing or tools or whatever where the absence of those might be impeding their taking up full-time work opportunities.

There was a whole raft of measures, which we implemented over a period of years, to try to tackle the problem of disincentives and barriers to people on social security participating in the work force. We also placed considerable emphasis on compliance measures. When in the mid-1980s there was no doubt that the whole compliance regime and antifraud regime was somewhat slack, a good deal of effort was put into addressing that problem.

Our system was reviewed in 1993 by an internationally recognised expert, Professor Weatherby of Harvard University, who concluded that the slackness which had existed had been largely corrected. He said that to go too much further than we were proposing to do at that time would start to raise serious problems about unreasonable infringements of civil liberties and real questions about the cost-effectiveness of further measures. I would like to see Professor Weatherby’s review of this government’s record.

I think a great deal was achieved in bringing about a more adequate social safety net, making sure that it was efficiently targeted and administered, and overcoming barriers to work force participation by people getting social security payments while at the same time taking effective steps to minimise fraud and abuse of the system. The Working Nation statement was a very major effort in the latter regard where we announced a very substantial increase in assistance for the unemployed through labour market program assistance. However, at the same time we said that, if we were going to have that very large boost in assistance to the unemployed, we did think it reasonable to introduce a tightened scheme of reciprocal obligations.

In the context of the Working Nation exercise, within the government at the time we had quite a debate about the appropriate level of tightening and severity of penalties for people not complying with administrative or activity agreements. There was significant tightening, but it was done in the context of a comprehensive package of further measures designed to assist the unemployed find work. This bill contains no such vision. It is a very different situation to be tightening reciprocal obligations under those sorts of circumstances compared with doing it in a situation where you are doing the exact opposite. This bill will just exacerbate the effects of the billions ripped out of the social security budget in the last four years. The government introduced the youth allowance from January 1998 by merging all major forms of income support for young people, including the youth training allowance, the Job Search allowance, the Newstart allowance, Austudy and Abstudy. The youth allowance is means tested on parental income and covers young people aged 16 to 20 and students up to age 25. These changes should be considered in that context. Abolishing a minimum rate of youth training allowance and cutting off payment to 18-year-olds on the basis of parental income opens the door to doing the same for young people up to 25 years of age.

The arrangements introduced by Labor gave pensioners and the unemployed an incentive to take up casual or temporary work that became available by allowing them to supplement
their payments without immediately or necessarily reducing their level of assistance. Now people may be deterred from taking up this kind of employment, making their attachment to the labour force even more marginal. A total of 122,000 customers a year receive reductions in payments for periods of time, saving $259 million over four years.

I conclude by indicating that the Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000 has been a lost opportunity for the government. It could have used the parliament for positive outcomes for both the veterans and the social welfare fraternity. It did not. Instead, we have a mechanical bill linking increases in payments to members of these communities with compliance mechanisms for international portability. I have endeavoured to highlight that these communities need more. They need the government to rethink its position on the past reductions in services for veterans and social security beneficiaries. Above all, the government needs to construct a vision for the future, not just a new tax and not the continuing obfuscation of social security.

Mr GIBBONS (Bendigo) (11.25 a.m.)—I rise to participate in this debate on the Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000. This amendment gives effect to a range of 1999 budget savings measures and other matters. The bill seeks to make changes to international payment rules, including portability and qualifying criteria. Whilst this measure is said to be aimed at standardising portability rules across payments including those for veterans, which in itself is not an objectionable goal, the government expects to get savings from doing this. This may provide an opportunity for the government to use the simplification process to cut people’s access to benefits. The government has also included changes to the use of the tax file number to strengthen compliance during data matching. The opposition has no objection to this as it will improve compliance.

Another change contained in this bill ensures the four per cent pension GST increase is extended to those participating in the pension bonus scheme. However, pensioners, including veterans and self-funded retirees, will be severely disadvantaged by the GST package compared with those on higher incomes. Pensioners and self-funded retirees, for example, spend most of their income on basic items such as food, clothing and electricity, whereas higher income earners spend more on luxuries. The price of luxuries will come down under the GST because the wholesale sales tax will be abolished, but the price of many basic items will go up. In short, the cost of living for veterans, other pensioners and self-funded retirees will go up by more than the cost of living for wealthier people.

Pension increases are linked to either 25 per cent of male total average weekly earnings or CPI, whichever is the greater. The GST should push CPI increases ahead of male total average weekly earnings increases and become the benchmark for future increases in pensions. The government has argued that the compensation arrangements will see the pension kept ahead of any increases in the cost of living. However, this position is flawed because, first, increases are pegged to CPI, which means the average inflation of a basket of goods, not the spending patterns of pensioners. Pensioners are likely to spend more on items that will increase by more than the average. In other words, the CPI pension increase is likely to underestimate the GST price hikes actually experienced by pensioners, leaving them short-changed. Second, pension increases are paid in arrears, six months after the CPI increases are recorded. During the half-year lag between the increases in prices and the adjustment of pensions, people will be left short. Pensioners and self-funded retirees spend all of their income and run down their savings, whereas higher income earners spend only part of their income and do not pay GST on their savings.

Higher income earners get the biggest income tax cuts. The top 20 per cent of income earners get around half the income tax cuts, but full age pensioners do not benefit from tax
cuts since they do not pay any income tax. Self-funded retirees paying income tax will receive some benefit from an increase in the taxation threshold from $5,400 to $6,000 a year and from reductions on the marginal tax rates, but not as much as high income earners who will get the lion’s share of the tax cuts. For these reasons, Labor believes veterans, age pensioners and most self-funded retirees will be considerably worse off under the GST. There are also a number of other technical changes to the associated social security legislation. The majority of these measures are of a minor nature.

As I mentioned before, the changes standardise and centralise provisions in the Social Security Act 1991 relating to domestic residence requirements and overseas portability of social security payments and other related payments. Also, they complete a regime for providing compensation to social security payment recipients in respect of the goods and services tax; generalise an existing requirement for claimants and recipients who obtain comparable social security payments from foreign countries; simplify domestic residence requirements, particularly exemptions for refugees and holders of certain classes of visas; provide for data matching and social security payments, using tax file numbers; and remedy numbering anomalies in social security related legislation.

Many of the pensions and allowances—and pension rate calculators—in the pre-existing Social Security Act 1991 contain a requirement that the claimant or recipient must be ‘in Australia’. Some pensions and allowances allow temporary absences. Thus a person may be overseas for a limited period while still being considered to be ‘in Australia’ and may therefore continue to qualify, subject to other requirements such as the activity test. The remaining payments are largely subject to international portability rules that allow a recipient to be paid, or a claimant to qualify, while he or she is overseas. Some payments are made portable by the operations of the Social Security (International Agreements) Act. Others are made portable by specific provisions in the Social Security Act.

The proposed changes address these areas and the opposition supports these minor changes, but the Howard government needs to adopt a far more compassionate approach to other veterans issues. I refer mainly to the eligibility criteria for the gold card. On 8 February last year I briefly raised in this parliament the matter of the unfair criteria used by the government in allocating the Veterans’ Affairs gold card. I would now like to outline in some detail examples of ex-service people in my electorate of Bendigo who were informed by the Department of Veterans’ Affairs, in writing, that they may be entitled to the benefit, only to be informed that they were ineligible under the criteria set out by the Howard government. These people, all over the age of 70 years, volunteered for service because their country needed them, and most are suffering health problems as a result of that service. To their surprise they were informed they were not entitled to get the same benefits that other service men and women are now receiving. What an extraordinary way to treat people who unselfishly put their country ahead of their own interests.

Mr George Blythe is just one example, having joined the Australian Navy 18 months after the end of the Second World War and served on a minesweeper at the tender age of 17 years. A previous bill expanding the old gold card criteria failed to take into account people like Mr Blythe. The criterion of wartime is based on the incurred danger test that occurred between the period stipulated by the Veterans’ Entitlements Act as being 3 September 1939 to 29 October 1945 inclusive. At the time of that debate, my colleague the member for Reid, as shadow veterans’ affairs minister, emphasised the point that, under the amendment, veterans serving in subsequent bomb and mine clearance work are not considered World War II veterans for the purposes of the gold card. He called on the minister to explain why, and whether it was just an oversight. In his right of reply, the minister failed to give a satisfactory response.
Clearly, Mr Blythe, who served in mine clearance work, fits into the government’s category of ‘unforgotten veterans’. During the qualifying period, he was obviously too young. He informed me that he would have signed up much earlier had he been old enough, and he in fact completed his medical much earlier than the time stipulated. He joined as soon as it was legal to do so and spent 12 years in the Australian Navy, serving on HMAS Swan, a minesweeping vessel, as well as having a post in the occupation forces in Japan. Whilst Mr Blythe served on the Swan, he and other crew members had to recover the bodies of four dying seamen from the waters near the Great Barrier Reef after a mine exploded during a sweep and sank HMAS Warrnambool. The four sailors died aboard HMAS Swan and the body of another was never recovered. As I have told this House before, the mines did not know that the war was over. Mr Blythe spent nine years at sea living in cramped conditions and eating off the floor of the vessel.

I have had further representations from Mrs Helen Herrick, the Honorary Secretary of the Bendigo Ex-service Women’s Club. Mrs Herrick is concerned over the inflexible guidelines that prevent many ex-service women—who gave exemplary service as anti-aircraft gunners, searchlight operators, wireless operators and cipher assistants, and in a whole range of other duties, all of which were unselfishly undertaken at a time of great peril in this nation’s history—from receiving a gold card.

Again I urge the government to reassess the criteria used in granting the gold card, to allow these people who served in hazardous occupations after the war to apply for and receive the same benefit as those who served in the 1939-45 war. I believe the government has a moral obligation to ensure that the people who served in these sorts of situations are treated exactly the same as those who fit the government’s criteria. Not to ensure it would provide a classic example of the need being far more than this government—which is not renowned for its compassion—is prepared to meet. If that is so, the government should be condemned for it.

Mr Griffin (Bruce) (11.35 a.m.)—I will be relatively brief in my comments on the Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000. The purpose of this bill is to standardise and centralise provisions in the Social Security Act 1991 relating to domestic residence requirements and overseas portability of social security payments and other related payments; to complete a regime for providing compensation to social security payment recipients in respect of the goods and services tax; to generalise an existing requirement for claimants and recipients to obtain comparable social security payments from foreign countries; to simplify domestic residence requirements, particularly exemptions for refugees and holders of certain classes of visas; to provide for data matching and social security payments using tax file numbers; and to remedy numbering anomalies in social security related legislation.

As other speakers on this side of the House have said, the opposition generally supports this legislation, although I am aware of concerns about the amount of time that has been given to the opposition for scrutiny prior to, and since, its introduction. So we reserve our right in the Senate, as I understand it, to consider the matter further.

This is essentially a technical bill which covers a range of different activities and payments that relate to veterans. In the debate so far this has allowed people to be relatively wide ranging in their comments on this matter. I would like to raise one particular issue in that context. I note that the bill mentions the goods and services tax, and I will use that as an opportunity to talk about aspects of that in the context of veterans.

I was recently at a meeting of the Complementary Health Care Council in Melbourne where former RSL national president Sir William Keys was a guest speaker. On that occasion, Sir William raised a number of issues regarding complementary health care products, particularly in relation to veterans and the circumstances they face. A press release from the Complementary Health Care Council on that occasion states:
Former RSL President Sir William Keys today expressed strong concern over the Government’s decision to impose the GST on complementary healthcare products that are important to the health of veterans.

‘Many veterans are elderly and on modest incomes. They will be particularly hard hit, as are those who are managing a chronic condition by using complementary healthcare products.

‘It also imposes a tax where none currently exists, which is unfair and impacts on our diggers who have served us so well.’

Sir William recalled the value of complementary healthcare such as traditional Chinese medicines, vitamins, minerals, anti-oxidants and western herbal medicines in helping to beat his prostate cancer.

Many veterans use complementary health care products to manage conditions that may be related to war service, including those related to alcohol and tobacco use, chronic pain and especially stress. Some of these complementary health care products are covered by Veterans’ Affairs but the majority of the most useful are not—for example, solpomedol in the treatment of prostate cancer, St John’s Wort in the treatment of depression and antioxidants in the management of inflammatory disorders of the joints and the skin. It is poor health policy to discourage people from seeking to maintain good health or to encourage them to rely on expensive drugs because they are listed on the PBS and therefore subsidised.

I think this particular issue in the context of the veterans community does highlight that there is a problem in relation to the health care of veterans. There is a problem in the general community, but there is a problem particularly in relation to veterans in this case. Beyond that, as other speakers have mentioned, there is a range of issues concerning veterans which this government has not taken up in recent times—issues around the question of TPIs which were mentioned by the member for Swan and also in relation to gold cards which were mentioned by the member for Bendigo.

The real issue here is not so much what is in this bill but what could have been in this bill and the circumstance that the government should really be looking at addressing some of these wider issues. I know from correspondence I have received from various parts of Australia on veterans’ issues that there seems to be a large amount of disquiet within the veterans community with respect to the minister and his performance. I note that the TPI group in Western Australia passed a motion of no confidence in the minister, which I think the member for Canning would be aware of. I think that highlights that there are some real issues to be addressed.

With respect to this particular bill, it will go forward from today and will be considered by the Senate. As I said earlier, the opposition, as I understand it, will be considering the matter in more detail probably at that level, but no doubt the guts of what is there will in fact pass into law. That is probably a good thing. But the issue here, and the issue that I wish to raise today, is about saying that there are some things that the government has to look at in the veterans’ community and it ought to be looking at them now in order to ensure that those who have served this country well in times of war in years gone by get their proper recognition by the government of the day.

Ms BURKE (Chisholm) (11.40 a.m.)—I rise to speak on the Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000, which gives effect to a range of 1990 budget saving measures. Sadly, again most of this relates to savings as opposed to looking after these people. The specific changes relate to international payment rules, including portability and qualifying residence; changes to the use of tax file numbers, which strengthen compliance during data matching; changes ensuring the four per cent pension increase is extended to those participating in the pension bonus scheme; and technical changes to associated social security legislation. As most people speaking on this bill have pointed out, it is actually a fairly complicated area. I suppose that is the nature of the area of
social security and also the area that the government has impacted upon by the introduction of
a radical new tax, which makes everything a bit more complicated yet again.

In speaking on this bill I feel I must point out that, once again, the government has been
deficient in its handling of its legislative agenda. It has shown its usual contempt of the
parliamentary process by not allowing the opposition sufficient time to consider the bill and
its implication for the people it will affect. This allowed for no discussion with the group that
will be affected and for no appropriate consideration by the opposition of all the issues.
Whilst the ALP will be supporting the bill before the House today, we point out there are
several concerns in respect of the portability arrangements for DFACS recipients, and these
arrangements perhaps could have been better worked through if we had had time to actually
consider the bill before us.

One of the issues the ALP is in support of is the use of tax file numbers as a primary source
of data matching. Whilst it is welcomed, it does presuppose that the tax file number is sound
and is an integral source of information on personal identity. This is at complete odds with a
recent Audit Office report which has uncovered that there are currently 3.2 million more tax
date numbers than there are Australians. While some of this can be explained away by the
existence of company trust TFNs, we cannot account for 3.2 million extra tax file numbers.
So whilst there are benefits in data matching, we need to ensure that what we are data
matching against actually has some integrity.

The ANAO report No. 37 for 1998-99 on the management of tax file numbers—which is
currently being reviewed by the House of Representatives Standing Committee on
Economics, Finance and Public Administration—has discovered that there are actually some
serious deficiencies with the tax file number. I am hoping that this bill and others and the
audit report will impress upon both the Australian Taxation Office and Treasury—who, I
hasten to say, showed the recent public hearing a fair degree of contempt when it came before
us and had not even read the audit report—that the ATO should take urgent action to ensure
the integrity of the TFN system and its implication for the ABN system and how this will
impact upon the operation of the GST. So while data matching is supported and should be
encouraged to ensure that there is compliance, we actually must be matching against
something that has integrity, and currently the system does not.

Whilst this act also relaxes certain qualifications for reserve forces to attend training
courses outside Australia—and this is probably welcome—it does nothing to rectify the
damage done to the reserve forces by the second wave IR legislation, which removes reserve
force training from awards and has made it impossible for people to undertake reserve
activities and to serve their country. I think that is something that needs to be looked at.

I, like other people, also welcome the independent review of the service entitlements for
South-East Asian service from 1955 to 1975. It is my understanding that the opposition,
through the Senate’s estimates and question time, has sought to highlight the discrimination
against service personnel. The opposition has argued that veterans who served in the Naval
Far Eastern Strategic Reserve during the Malayan Emergency, at Ubon in Thailand and as
ground crew in Vietnam all have strong cases to be eligible for full service benefits. I have no
doubt that there are veterans and their families living in my electorate of Chisholm who will
greatly benefit from the implications of the recommendations straight away.

Speaking of veterans, Chisholm is blessed with a vigorous and active veteran community.
We have the Box Hill RSL, the Clayton RSL and the Oakleigh RSL. They are integral parts
of the local community and I make it my business as the local member to give my full support
to their activities. Late last year they helped me organise a signature book to be sent to
Australian troops serving in East Timor. I had a book at my office and circulated three
amongst the RSLs, enabling hundreds of signatures to be obtained across the electorate and
sent as a message of support to our troops in East Timor. This was a wonderful thing, and we had a lovely letter back from the armed forces in Timor welcoming that book. It was a great thing to circulate amongst my electorate.

It is interesting to note, from a response I had to a question on notice to the minister last year, that we have 2,102 veterans residing in Chisholm who are receiving benefits. I have had the opportunity to meet with many of these veterans who have been involved in almost all of Australia’s engagements and conflicts. There are many issues that they often need assistance with in terms of their benefits and entitlements. It is an area that is very confusing, as I am sure most people in this place will know. Whilst I deal with as many as I can, I am blessed in Chisholm with having very capable RSL officials, such as Peter Davison in Box Hill, Ray Scott from the Clayton RSL and the stalwart Arthur Larson in Oakleigh, to whom I can refer most pressing matters. They generally have an answer quicker than most government departments on these issues. They all do a tremendous job in advocating on behalf of their members and they go beyond that: they are fantastic community advocates and they do a lot of work above and beyond their work for veterans.

Until I became an MP I never realised the amount of work done for veterans and their families by the local RSLs and war widows organisations. These organisations will have their work cut out dealing with the effects of the GST on veterans’ entitlements. Not only will recipients on fixed incomes find that the GST compensation still leaves them out of pocket; they will be hit by the application of the GST on complementary health care products. Sir William Keys, former RSL president, has raised the salient point that many veterans are older people on modest incomes who suffer from a range of chronic illnesses which can now be treated by complementary medicines. The tax on complementary medicines will affect many Australians who use these medicines, but will have a disproportionate effect on the veteran community. Once again, we ask the government to lift the burden of taxation from these medicines for the benefit of all Australians and, most acutely, for veterans.

There is a further issue I wish to raise in relation to Vietnam veterans. There are still many outstanding issues as to the health care needs of Vietnam veterans and their children. Whilst much scientific evidence is available, there is still no answer on what future directions should be taken to address these issues. I ask all members of parliament to address the physical and psychological problems of Vietnam veterans and their children as a matter of urgency. I would like to draw to the attention of the House a petition that is currently being circulated amongst veterans in the wider community. I will read what the petition is calling for:

The petition of certain citizens of Australia draws the attention of the House to the need for urgent assistance for Vietnam veterans’ children due to their fathers’ exposure to 31 toxic chemicals and anti-malarial drug Dapsone during the Vietnam war.
Your petitioners ask the House to support decisions in Volume 3 Validation Study on Morbidity of Vietnam veterans and children, revealing:
Increased levels of spina bifida in children of veterans
Veterans’ children’s death rates above those expected based on Australian community standards
Cancer ...
Cleft lip/palate ...
Suicide rates three times more prevalent in veterans’ children
Extra body not assessed due to no corresponding community date ...
There are so many issues of health needs for Vietnam veterans and their children that are going begging and that need to be urgently addressed by this House. I call on people to support the petition that is currently being circulated.
Finally, I would like to touch on the issue of social security entitlements that were amended by this bill. In my electorate I have quite a large population of aged pensioners, totalling over 7,000 in the suburbs of Box Hill, Box Hill North, Burwood and Ashwood. I spoke on the adjournment about my fears that pensioners would lose out under the GST with the pittance being offered as compensation. I also expressed alarm at the government’s increasingly negative portrayal of all welfare recipients as a burden on the system we can no longer afford. To examine the government’s form on this you only have to look at the massive cuts to social security they have ushered in during their time in office. As described by my colleague the member for Lillely in his submission to the welfare review, the Howard government have cut $5 billion from social service programs such as labour market programs, social security payments, cuts to disability allowance—the list goes on—and this bill is trying to surreptitiously make more cuts. This has created an enormous social deficit. The government are comfortable in talking about budget deficits, but refuse to acknowledge the social black hole they created as if it is somehow less relevant.

Whilst we generally support the measures in this bill pertaining to portability of benefits, the government stands condemned for its handling of the sensitive issues surrounding welfare recipients. Trumpeting cheap, ‘blame the victim’ language is no substitute for good policies that provide both a buffer and hope to the many Australians who rely upon the government for income support.

Finally, I place on the record, as we are coming up to Anzac Day, the importance in my electorate of celebrating Anzac Day, not just for the veterans community but for all Australians. In Chisholm, we are blessed by the presence of Mr Roy Longmore, who is one of the three last surviving Gallipoli war veterans. While Gallipoli was a time of great significance for Australia on the world stage, it resulted in 25,000 Australian casualties, including 8,000 people who were killed or died of wounds and disease. Such is the horror of war, and it is why we need to ensure that those who served our country and lived through these incidents are given the best possible access to benefits, allowances and medical care as they reach their twilight years.

Mr ANTHONY (Richmond—Minister for Community Services) (11.51 a.m.)—in reply—I thank members on both sides of the House for their contribution to the debate on the Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000. I make special mention of the contribution by the member for Parramatta—indeed, his contribution to many debates.

This bill gives effect to measures announced as part of the 1999 budget relating to the simplification of international payments relating to portability and the use of tax file numbers in data matching of employment declaration forms—EDF—the prescribed payment system—PPS—and the reportable payment system—RPS. The bill also makes some minor amendments relevant to the four per cent concession for social security payments associated with the introduction of the government’s tax reform package.

Schedule 1 of the bill amends the Social Security Act 1991 to allow for changes in international portability provisions. At present the rules relating to portability vary from payment to payment. The measure will standardise these rules as far as possible subject to the qualification rules that apply to each payment. This bill will also provide for the standardisation of portability rules, the consolidation of working life residency rules and the phasing out of special needs pensions and extends to two years the short residence rule.

Uniformity is a key feature of the portability requirement of this measure. Portability of a payment overseas is conditional on continuing qualification and, where qualification is maintained, all payments will be portable for up to 26 weeks. Currently, a person claiming or receiving a social security payment may be required to make an effort to claim a comparable
overseas payment to which they may be entitled, if the payment would be made by a country with which Australia has an international social security agreement. This bill will extend this requirement to all countries. However, so as to encourage people to come forward and disclose a potential entitlement to a foreign payment, a social security amnesty will operate until January 2001. This amnesty will be limited to income from foreign pensions. During the period of the amnesty, all Centrelink customers will have the opportunity to declare their foreign pension income to Centrelink without risk of penalty. As part of the bill, minor amendments will also be made to the provisions relating to qualifying residence rules for Australian entitlement, with a view to achieving better consistency.

I turn to the data matching provisions in the bill. Currently, the ATO regularly provides Centrelink with data, with data matching being carried out using identity data—for example, name or date of birth. There are difficulties in identifying customers who have inadvertently or deliberately provided different personal details to the ATO and Centrelink. These measures provide for the tax file number to be used as the primary matching key, with the objective of strengthening compliance with the social security law, particularly the provisions dealing with the income test. The Privacy Commissioner has been consulted in respect of the changes. Matching will be undertaken in accordance with the commissioner’s guidelines. As part of the tax reform package, social security pension rates are to be increased by four per cent from July 2000 to compensate for the effects of the GST. The four per cent increase in pension rates will take the form of a pension supplement and will be added to a person’s maximum basic rate of pension.

Amendments were undertaken in the A New Tax System (Compensation Measures Legislation Amendment) Act 1999—the compensation act—to incorporate the pension supplement into social security law. Amendments need to be made so that the four per cent increase will also be applied in the calculation of a person’s pension bonus and in working out a farmer’s maximum basic entitlement for the purpose of the retirement assistance for farmers scheme.

Earlier today in the House, in talking to this part of the bill, the member for Lilley once again proved his failure to understand the real benefits of tax reform and the associated compensation to pensioners and retirees. Pensioners will always be better off having received a savings bonus. The two savings bonuses that will be paid as part of the new tax system will help to maintain the value of savings and the retirement income of older people. This is particularly welcome in my electorate of Richmond where, in the Tweed, over one in four people are over the age of 65 and a higher proportion are over the age of 55.

The member for Lilley claimed that pensioners will be worse off by receiving their savings bonus. The clear facts are that pensioners can receive a bonus payment of up to $1,000. Pensioners can decide to invest this bonus or they have the choice of spending this money. On top of the savings bonuses, the government will also be providing other forms of generous compensation, including the 2.5 per cent increase to the assets test threshold and reduced personal income taxes through a number of measures in the tax system—including higher income tax free areas, reduced marginal rates of tax, more generous treatment of franking credits and the abolition of provisional tax.

This bill will provide for a much simpler way of dealing with portability and residency requirements for social security payments. It will do this by standardising provisions relating to domestic residence and overseas portability requirements. The bill will also complete a regime for providing compensation to social security payment recipients in respect of the new taxation system. It will also provide for more robust systems of data matching social security payments through the use of a tax file number.
Once again, I thank members for their contribution to the debate and I commend the Social Security and Veterans’ Entitlement Legislation (Miscellaneous Matters) Bill 2000 to the House.

Question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that the bill be reported to the House without amendment.

COMMITTEES

Primary Industries and Regional Services Committee

Report

Debate resumed from 16 March, on motion by Fran Bailey:

That the House take note of the report.

Mr SNOWDON (Northern Territory) (11.58 a.m.)—Mr Deputy Speaker Nehl, I know that this is a subject which is close to your heart because of where you live and the nature of your political affiliations. Looking at the report, I am sure people will see that it has generally been done in a very comprehensive way. With great respect to my colleagues who are on the House of Representatives Standing Committee on Primary Industries and Regional Services, the people on it certainly come from a broad spectrum of the Australian community. I think that some of them would have had very little personal experience of living in a region outside a major metropolitan area; nevertheless, they have produced a report which has far-reaching implications. However, I think the report is limited, and I think it is limited by the scope of the inquiry.

I noted with some interest the list of people who had given evidence before the committee and the various parts of Australia to which they had travelled to take evidence. I have to express my concern because they have not taken evidence from areas I regard as extremely important. Whilst they traversed parts of North Queensland, they did not visit the Northern Territory, the northern part of South Australia or anywhere in Western Australia north of Geraldton and Carnarvon. A huge portion of Australia’s landmass was not visited by this committee. No evidence was taken from those areas by this committee, so it may not have contemplated the issues which are relevant and important to those communities. Whilst I think it is appropriate for a general policy framework to exist, and for the committee to make recommendations in the form it has, I do not think it is appropriate that when it is writing these sorts of reports it does not reflect on the fact that one size does not fit all. In the context of northern Australia, I can say very clearly that many of the recommendations in this report will not fit.

When I hear discussion in this place about regions and the bush, it is not the bush I know. It is not the regions I know. It is not the sparsely populated areas of northern Australia. I think that is a failing in this report. I want to demonstrate how it is failing. I note, with interest, the report’s recommendations on telecommunications. Whilst these recommendations may be appropriate—and I am not certain about that—for western New South Wales or south-west Queensland or regional Victoria or the northern part of Tasmania, I do not think they are appropriate in the context of the Northern Territory. I do not think they are appropriate in the context of remote areas of Australia generally.

One of the issues which stands out to me in reading this report is that, in the context of telecommunications, there is a very clear view that somehow or another the tendering out of the telecommunications USO will benefit regional Australia. I have to say to you, Mr Deputy Speaker Nehl, as someone who has an interest in this matter, that I do not think that is the
case. What this report confirms to me is the absolute and fundamental necessity to retain a
majority shareholding in Telstra and to ensure that Telstra has the responsibility of delivering
the USO across Australia. That does not say that arrangements cannot be made about
particular sorts of technologies and particular companies participating in the delivery of those
USOs.

Large areas of northern Australia have just a basic telephone service in some cases—and in
some areas not even that. The only telephone service for a community of 50 or 100 people is
one public telephone booth under the current arrangements. Given the dispersed nature of
those places, who do you think might provide those communities with appropriate
telecommunications infrastructure? At what cost would it be provided? It is all very well for
those who are advocates of the tendering out of Telstra’s services to argue that they can
compete in the provision of capital infrastructure. But at what cost? I argue—and I think
there is a great deal of merit in this view—that if Telstra is taken out of the field because of
competitive tendering arrangements, ultimately you will see not only a dramatic fall-off of the
infrastructure and services that exist but in some places the developments we hope would
accrue to those communities as a result of the USO will not happen.

If you look at the telecommunications industry, it is very clear that those people who are
competitors in a deregulated market are organisations which are after the cream. They are not
interested in providing infrastructure in areas which are loss makers and they are not likely to
be interested in areas which are loss makers if a proposal were ever implemented which
provided for the tendering out of these services. I fear for regional Australia—no part of
Australia that I live in—if these sorts of proposals are brought to fruition, as I know
that this government’s agenda is that they should be. I am most concerned at what this will
mean for the communities across Northern Australia. I note that when debates have taken
place previously in this place those people who have been most outspoken about this
particular issue are indeed members of your own party who live in Northern Australia, who
understand—at least I hope they understand—the implications of this particular policy
proposal on their communities. They, like me, have a great concern about what this will
mean.

They do not live in Batemans Bay, they do not live in Orbost and they do not live in
Launceston. The people I am talking about, whose services I have regard for and must have
concern about, live in very small, remote Aboriginal communities. You would get the picture
if you were listening to the debates in this parliament that regional Australia is all about
pastoral properties, farms and that sort of thing. Northern Australia is not like that. The bulk
of the population who live across Northern Australia and outside of the major urban centres
live in small, remote Aboriginal communities. I do not think that the policies and the
proposals which are in this document on shaping regional Australia come anywhere near
addressing the concerns of those communities.

I have a view about this, which I have had for some years, that having the big vision is
certainly smart; you have got to have it. But understanding regional difference is also
important and I do not believe this document sufficiently contemplates regional difference.
What we should be doing when we are developing policies on regional Australia is
understanding difference, understanding diversity and understanding the needs that different
places have across this nation.

To do that requires a new approach to providing infrastructure and services to remote
Australia. What I would like to see is something built on some proposals which I made public
in 1996 about the development of regional agreements between collections of communities
and government about the provision of services, whereby the government would contract with
these regions for the provision of services, where they understand that state governments do
not necessarily deliver what they are supposed to. In the case of the Northern Territory that
has been writ large and made very clear by recent reports into education.

We have to ensure that those communities get the rights which they are entitled to. I hear a
lot about an issue advanced currently by the Prime Minister in the name of practical
reconciliation. Let me say to the Prime Minister, and to all those who might be interested in
this subject, that practical reconciliation is providing people with their rights as citizens.
Every Australian citizen, every Australian person, has a right to a decent education. Every
Australian person has a right to a decent health service. Every Australian person has a right to
community services. The only people who largely do not get these services in this community
are Aboriginal people who live in remote communities.

The Prime Minister says this practical reconciliation means providing remediation in
education, remediation in health and remediation in community services. What the Prime
Minister should be doing and what this report should reflect is that these people are being
denied, and have been denied by governments for a long time now at the state and territory
level, their basic citizens’ rights of access to employment, education, health care and
infrastructure. The provision of those services is not practical reconciliation. It is just
providing people with the rights they expect, and should expect, as Australian citizens.

One of the other issues which this report traverses is roads. I note with interest a couple of
the recommendations, one of which refers to the notional allocation of a proportion of fuel
taxes towards roads infrastructure. I do not oppose that idea—it is probably very good—but,
again, I do not think it contemplates at all the nature of the task. The provision of regional
roads in the north-west of Victoria, the south-west or the south-east of Queensland or the
north of Tasmania is nothing like the road task which exists across Northern Australia. We are
talking about hundreds of kilometres of dirt roads. We are talking about linkages between
communities, where transport carriers have refused to travel across those roads and transport
the essential infrastructure, the goods and services that those communities should be able to
expect. And they have done that because of the poor state of the roads.

On 15 March I pointed out in this place the costs of running a road train across the Tanami
Road. The Tanami Road is a very important road in Northern Australia because it leads from
Alice Springs, effectively, to the gold province in the Tanami—with a large number of gold
mines but also a large number of Aboriginal people living in remote communities such as
Yuendumu and Nyirripi. I am told that the cost of running a road train across this road is
roughly twice the cost of running a road train up and down the Stuart Highway. A prime
mover is worth $350,000. The costs of running these vehicles are enormous. The people who
will end up paying the cost of these vehicles running across these roads are in the end, of
course, the people who live in these small, remote communities. This report goes nowhere
near contemplating their needs. This report is deficient because it does not understand or
appreciate the needs of people who live in these parts of Australia.

People in this place would be wrong to believe, for whatever reason, that when you talk
about regional Australia you can use a catch-all phrase which will mean everywhere in
regional Australia. What we need in this country is an analysis of regional difference, an
analysis of regional need based on real needs, the specific needs of those regions. We should
be looking at analysing a distribution of regions across Australia and ensuring that they are
funded appropriately. That requires this government and any future government taking a
different approach to the way in which they fund these communities through state and
territory governments—in my view, funding a large number of them directly on the basis of
need, on an analysis which could be done for them by the Commonwealth Grants
Commission, and bypassing state and territory governments. These are ideas which I have
canvassed before and I will be publishing them in one form or another in the near future.
Hopefully, they will add to the policy debate about the needs of regional Australia.
Debate (on motion by Mr Pyne) adjourned.

Motion (by Mr Pyne) proposed:
That the Main Committee do now adjourn.

Telstra: Emergency Paging Service

Mr GIBBONS (Bendigo) (12.13 p.m.)—I rise today to talk about the withdrawal of yet another service from regional Australia, in spite of the Prime Minister’s commitments to regional Australia during his recent trip around that part of the world. He said there will be a red light flashing in his office every time a regional service appears to be going to be withdrawn. The electricity company providing the power for that light must be a privatised company because that light is not working even though Victoria’s emergency service organisations have been informed by Telstra that their emergency service organisation paging service is to be discontinued, putting the effectiveness of these organisations at considerable risk.

The CFA, for example, has some 600 alphanumeric pagers and over 300 tone pagers around the state of Victoria with around 1,250 individual fire brigades using the equipment. The CFA has around 1,200 ERS7 systems across that state providing over 6,000 primary and backup emergency core answering points for brigade members. The ERS7 system is also scheduled to be phased out over the next three years. Paging systems are the most effective way any emergency service organisation can alert their people in the field. One message can be transmitted simultaneously to multiple receivers. This provides the organisations with an instant call capability, unlike the mobile phone network where each station or person has to be contacted individually. Remember that these firefighters are predominantly volunteers and quite often they are in work environments where they are not permitted to take mobile phones, such as hospitals, et cetera. For example, in the house fire or bushfire situation a quick alert and response time is absolutely crucial, with a potential loss of life a likely consequence.

Telstra has not put forward any alternative system or technology to replace the systems now in use, preferring its competitors to take up this marginally profitable service. The CFA alone spends some $4.5 million per year with Telstra and have not been given the slightest consideration in the phasing out of paging services. If Telstra considers a $4.5 million per year client not important, what hope do individuals or small businesses have in regional and outback Australia when they complain about lack of service or a long wait for connections? People in regional Victoria rely on a large number of volunteer firefighters to give up their time, and often these firefighters place their own lives at risk to provide a vital firefighting service to their communities. The very least Telstra can do is to provide them with an appropriate and effective alert system to enable them to respond in the shortest possible time.

Emergency service organisations are not the only users of Telstra’s paging systems. Doctors also use the system because it allows them to be contacted for emergencies whilst they are close to very sensitive electronic medical equipment. Mobile phones, again, cannot be used in this environment because they interfere with that sensitive medical equipment.

When will the minister and the government intervene and direct Telstra to act in accordance with the wishes of the people who own it and assisted it to become one of the most successful communications carriers in the world? Telstra, in the year 2000—this company which is owned by the Australian people—chooses to opt out of providing emergency paging systems because they are not profitable. I also remind the chamber that Telstra is heading towards a profit for this financial year in excess of $4 billion yet they do not want to be involved in a vital paging service which can actually save lives. We hear so much about Telstra’s much trumpeted universal service obligations, but what about their good
corporate citizen obligations? Telstra does not seem to understand the term and continues to ride roughshod over the wishes of the people of this country, people who need and rely on their products and their services. I call on the minister for communications to intervene and to use his influence to ensure that Telstra continue to provide these services because, if they cannot find the ability to provide the service for the $4.2 billion profit, then I think that is a classic argument to retain all of Telstra in total government ownership.

Para Hills Soccer Club
Northfields RSL Sub-Branch

Mrs DRAPER (Makin) (12.18 p.m.)—I rise to speak with regard to the upcoming Olympic Games. Colleagues may have noticed that yesterday I had the honour of wearing a Para Hills Soccer Club night soccer guernsey in our great parliament. The guernsey was presented to me by the Para Hills Soccer Club secretary, Charles Kelly, with permission from club president, Keith Payenbrock, last Saturday at the clubrooms at 'The Paddocks' on Bridge Road, Para Hills.

My electorate of Makin, one of few across Australia, has two soccer clubs—not one but two—which have been chosen because of their outstanding facilities, organisational ability, and cooperation between key stakeholders—local council, state government and, of course, federal government—to host several Olympic soccer teams during the Olympic Games. Many people at Para Hills are extremely excited, and are looking forward to this tremendous honour and opportunity. I would like to pay tribute to the hard work of the many volunteers and all of the mums and dads of our soccer stars who make the running of the club so successful: people who work the bar, the canteen and the barbecue; people who run the raffles and organise the fundraising events; the coaches and the team managers; and, as I said earlier, the mums and dads who get their kids to training sessions and the matches which are played at many different venues. Without all the abovementioned people willing to help in the way that they do, Para Hills Soccer Club would not be so successful. A special note of thanks must also go to all of the sponsors who make the running of the club so successful.

On a separate matter, but with more good news for my electorate of Makin, the Northfield RSL Sub-branch will receive a $5,900 grant from the federal government to improve wheelchair access and upgrade club activities.

Honourable members—That's generous!

Mrs DRAPER—Absolutely. I am delighted that the Minister for Veterans' Affairs, Bruce Scott, approved the veteran and community grant administered by the Department of Veterans' Affairs. The veteran and community grants help develop projects that provide practical support to veterans and ex-service communities across Australia. Projects funded are wide-ranging and include providing capital funding for residential care facilities, promoting health issues, encouraging healthier lifestyles, fostering social and personal support services and improving access to community care services.

The Northfield RSL Sub-branch will be using this grant to construct a wheelchair ramp with handrails and to upgrade toilet facilities. The grant will also be used to replace the tables, indoor bowls mats and pool tables and purchase a barbecue hotplate. This grant demonstrates the federal government’s commitment to meeting the needs of the people of the Makin electorate. I would like to take this opportunity to congratulate John Dodd, the Secretary of the Northfield RSL, and all of his colleagues, for the hard work in preparing the submissions to secure the funding for this construction.

Bougainville: Operation Bel Isi

Mr TANNER (Melbourne) (12.21 p.m.)—Several weeks ago, I and many other members had the privilege of attending a lunch for Major General Peter Cosgrove and the returning troops from the INTERFET force and paying tribute to a group of Australian heroes. That was
a just tribute, it was entirely merited and it was very good to see that the entire Australian community has acknowledged the tremendous work and the great courage that has been displayed by our forces in East Timor.

What I wish to do today is to pay tribute to another group of heroes, very much a forgotten group of heroes, mostly from the Australian defence forces but also with some police involvement, and that is the Australians who have participated in and continue to participate in Operation Bel Isi on Bougainville. Currently there are about 250 Australian personnel, most of them military, serving in this peace monitoring operation that has now been going on for two or three years. Most significantly, these personnel are unarmed. So we have Australian military personnel and police personnel in one of the more dangerous locations in the world, unarmed, monitoring the peace process. To me, it is true courage, genuine courage, that in such a dangerous situation, where there has been considerable loss of life and turmoil in recent times, these Australian heroes are there unarmed ensuring that peace can be maintained.

Australia provides the commander of this force and approximately 80 per cent of the overall personnel and also substantial logistical support, helicopters, landing craft, trucks and the like. The role of Operation Bel Isi is to monitor the cease-fire, to ensure compliance and to promote confidence in the cease-fire, to instil confidence in the local inhabitants and to help train local police and associated personnel. To the best of my knowledge, nobody else has yet paid tribute in the parliament to the participants in Operation Bel Isi. I thought it was appropriate, Mr Deputy Speaker, that we should pay such a tribute because, however much we rightly focus on the exploits of our troops in East Timor, we should not forget that there are Australian personnel performing similar functions in other parts of the world, often involving great courage.

I would like to conclude by reading some extracts from an article written for an ADF magazine by Lieutenant-Colonel Stephen Joske, who was a commander of one of the rotations and is somebody I have known for a very long time. I will quote some of his statements:

It was a dynamic situation. We were interfacing with people on the ground, in the villages, the marketplaces and the countryside. There had been a number of false starts towards restoring peace in Bougainville, the last one in 1994 and the people were naturally suspicious about our overall intent and at least at the executive level, were initially reticent to engage with us. They thought we may come in, raise the flag and their hopes and then leave. In addition there were many around the island who had no idea why we were there. It was not surprising therefore that they were suspicious of “these people wearing military uniforms with bright yellow hats and armbands”. However, the people who were expecting us were overjoyed that someone was there to help them restore peace.

Still, at first we didn’t know what to expect. The day we arrived we started on a 167 kilometre journey down the east coast of the main island. Would we be ambushed, or worse, shot? What about mines, broken bridges, swollen rivers, crocodiles? ... The country we passed through on our journey was lush, with dense, tropical vegetation, an omnipresent mountain range shrouded in mist, and a coastline with crystal waters and palm trees. Jungle tracks were rudimentary and most bridges had been sabotaged, their decking used by local people for their cooking fires. Often all we had were 2 inch thin railway lines to carry the landrovers and trailers across 200 metres of slippery, wet bridge. We progressed inch by inch, terrified of losing valuable communication equipment. Often there was not even a rudimentary bridge and we had to ford rivers which were starting to fill with early monsoon rains. The inevitable happened. One vehicle stuck fast in the rapidly flowing, muddy water. However, everyone knew exactly what to do. Winches were organised and within 40 minutes the truck was rescued, safe on the river bank. At the end of 12 hours we had travelled only 160 kilometres. It was exciting, it was exhausting, it was real testimony to the training of the Australian soldiers.

I can only endorse the conclusion of Lieutenant Colonel Joske’s article, which reads as follows:
The Bougainville experience has been and will continue to be extremely rewarding for Australian soldiers, many of whom have been deployed away from Australia, into a potentially dangerous situation, for the first time. They have developed leadership skills, learned perseverance, patience and ingenuity, and have had the opportunity to use skills, learned in Australia, in a real contribution to peace.

These are true Australian heroes who have not received the recognition that they deserve. I think that going into such a dangerous situation unarmed in order to monitor peace takes genuine courage, and I applaud them.

Ms GAMBARO (Petrie) (12.26 p.m.)—I rise to speak about the recent elections held for the Redcliffe City Council in my electorate of Petrie. Firstly, I congratulate Councillor Alan Boulton on his re-election as mayor of Redcliffe and all of his councillors who were all returned. That is absolutely unprecedented in the history of the Redcliffe City Council elections. Anyone who is familiar with the area would have noticed the great changes that have been going on in Redcliffe. An extensive advertising campaign has renewed tourist interest in the area and now we have a huge number of day trippers from Brisbane visiting the peninsula every weekend.

Mr Deputy Speaker, Redcliffe, arguably, has the best seafood in Queensland. I know that you are quite often in the chair when I speak about the seafood delights of the area, but the local restaurants and cafes that serve the excellent Moreton Bay bugs, mud crabs, prawns, whiting and numerous other types of fish—

Ms GAMBARO—It is a commercial because I am proud of the Redcliffe Peninsula. The Redcliffe seafood festival and the sun girls competition recently attracted 20,000 visitors to a Marcia Hines concert on the foreshore. We have brought back the sun girls and they are ambassadors for the city. Local businesses have been doing very well from the increase in tourist numbers and many new developments are going ahead on the Redcliffe Peninsula.

It is interesting to note in this climate that the state member, Ray Hollis, who is also the Speaker of the Queensland parliament, who should be supporting employment and growth in the area, has criticised Mayor Alan Boulton’s administration for their excellent initiatives on the peninsula. I was quite appalled to hear some of the comments by Mr Hollis, who seems set on returning Redcliffe to the bad old days when Redcliffe was a depressed area. It is interesting to read the letter to local residents from the state member, Ray Hollis, criticising the Redcliffe City Council for their hard work promoting prosperity and growth on the peninsula. Most of us are very pleased to know that we have a council which is determined to attract investment and subsequent local employment to an area that has seen some very hard times in the past. In fact, it was not long ago, when I became the federal member, that Redcliffe was called ‘Deadcliffe’—a terrible name which I hope we will never go back to.

Mayor Boulton and his council have worked hard to reduce crime rates in the area, develop the foreshore, upgrade and build the new jetty, and produce television advertisements which promote Redcliffe as a terrific place to visit, through the vision business advisory group that has been set up. The people of Redcliffe recognised the hard work done by this council when they re-elected them a couple of weeks ago. It is a shame that our state member has blamed the council for a number of things. He has also blamed the council for increased property values causing an increase in rates and rents for low income earners and pensioners. He must not have read his own government’s property valuations when he said that, because they came out two days after the Brisbane City Council elections—surprise, surprise—and the values for most areas of Brisbane were hiked up by as much as 36 per cent. Unfortunately, on the
Redcliffe Peninsula, they dropped by 6.5 per cent. So the state member for Redcliffe was wrong, wrong, wrong again.

Those of us who are working very hard on a local and federal level to improve growth and employment, particularly for our young people, are absolutely appalled by the comments of the state member. As I go about talking to local business people, they tell me that they are pleased to see increased trade and investment in the area. They are putting on more jobs; they are giving young people an opportunity. The Redcliffe Peninsula is thriving and it is on its way upwards. There is only one place to go—upwards. The people of Redcliffe Peninsula would be better served if their state member did something for them—if he took the trouble to convince his own state government to do a few things, such as increasing the money spent on the long neglected Houghton Bridge.

In conclusion, I congratulate Mayor Alan Boulton and his team on his re-election. As the federal member, I look forward to helping him in every possible way so that we can make the area a better place, improve the job prospects of our young people and make sure that investment continues to grow on the Redcliffe Peninsula.

Aboriginals: Reconciliation

Ms JANN McFARLANE (Stirling) (12.31 p.m.)—I stand here today feeling sad and quite ashamed about what has happened with reconciliation in Australia. I want to talk a little about my experience in working with and being a friend of many Aboriginal people and also about the concerns raised by many people on what is happening in the electorate of Stirling.

For a framework, I draw your attention to the annual report of the Council for Aboriginal Reconciliation for 1998-99. The Chairperson’s introduction says:

The Council for Aboriginal Reconciliation enters the final eighteen months of its life with confidence that the people’s movement towards genuine reconciliation between Aboriginal and Torres Strait Islander peoples and the wider Australian community continues to be a powerful influence in Australian society. The momentum towards reconciliation has become unstoppable, notwithstanding the difficulties and obstacles that always lie in the path of processes involving fundamental changes in social institutions, attitudes and behaviour.

Chapter 1 is headed ‘Council’s tasks—Enabling legislation’. It states:

The Council for Aboriginal Reconciliation was established, with unanimous cross-party support, as a statutory body under the Council for Aboriginal Reconciliation Act 1991. The functions and powers of the Council as prescribed by that Act are set out ...

It then goes through the preamble to the act and explains the rationale for reconciliation in Australia. It then goes to the council’s strategic plan for 1998-2000—the period we are in. The first goal is documents of reconciliation; the second goal is partnerships in reconciliation; and the third goal is the people’s movement for reconciliation. Many people have expressed to me their view that, if we are going to move on in Australia and have a positive outlook in the new millennium, then there are many issues we must address—and reconciliation is high on the agenda for many ordinary Australians even though they may not be a vocal voice.

I want to draw the House’s attention to an experience that I have had. I know Doris Pilkington, the woman who wrote the book *Follow the Rabbit-Proof Fence*. Her Aboriginal name is Nugi Garimara. This is a wonderful, inspirational story of her mother and two aunts who were taken from Jigalong mission in 1930 down to Moore River Native Mission. In those days Aboriginals were valued. On page 16, it is stated:

The British colony was said to be an excellent settlement for hiring labourers and most colonists preferred Aboriginal workers to others. “Black servants, I find,” wrote George Fletcher Moore in his *Diary of Ten Years*, “are very serviceable in this colony; on them we eventually depend for labour, as we
can never afford to pay English servants the high wages they expect, besides feeding them so well. The black fellows receive little more than rice—their simple diet.

Aboriginals were valued in the community and were valued as workers. They could contribute to the colony. I will talk a little about Nugi’s mother and two aunties. They were three half-caste girls who the community were looking at. The Aboriginal protection people thought that it was best to remove them from their families and raise them so that they had white people’s ways. This book talks about the three girls. On page 41, it is stated:

The girls were fortunate to be part of a loving, caring family, who tried to compensate for all the nasty insults and abuse by spoiling them and indulging them at home. Their grandfather even went so far as to take them on walkabout in the bush when he ground black charcoal into fine powder and rubbed it into their bodies, covering them from their faces right down to their toes. This powder, he promised, would solve all their problems. It would darken their light skin and end all the teasings and tauntings, but most importantly, it would protect them and prevent them from being taken away from their families.

What eventually happened to these three half-caste girls—as I will call them although they are identified as Aboriginal and belonging to the Jigalong community and the people there—was that in 1930 Constable Riggs, a protector of Aboriginals, took them a long way by sea down to Moore River Native Mission outside Perth. This book is the story of how these three girls, a 14-year-old and two younger girls, escaped and followed the rabbit-proof fence all the way back to Jigalong. It is one of the most wonderful inspirational stories because these girls took a journey that many white people could not have taken without horses, servants and whatever.

The girls returned to their community. They were taken again. Again one of them escaped and followed the rabbit-proof fence as the desire to be reunited with her family was so strong. These stories are inspirational. I hope the Prime Minister might take the time to read this book and show some leadership in getting reconciliation back on track, accepting that taking children from their families caused devastation at many levels in the communities and to the people and is with us today. Unless we address it, Australia is going to continue to be a sad and sorry place to live in.

Mr BAIRD (Cook) (12.36 p.m.)—In my maiden speech 18 months ago I highlighted four environmental issues that face the Kurnell Peninsula and the surrounding marine habitat. The first was the problem facing the Towra Point Wetlands. Erosion of the coastline, the ingress of salt water into a freshwater lagoon and consequent displacement of the bird population there has occurred because of the construction of the third runway. The second issue was the disappearance of the oyster leases which were in the Georges River running into Botany Bay. The third issue was the pollution of neighbouring Cronulla through sewage output into the ocean and the waterways at Port Hacking. The fourth issue was the disappearance of sandhills at Kurnell due to careless sandmining operations.

I am pleased to report that a great deal of progress has been made with regard to Towra Point Nature Reserve, helping oyster farmers and improving sewage treatment off Cronulla. Environment Australia and the National Parks and Wildlife Service committed to a cooperative effort to address the management of Towra Point. Funding from the National Wetlands Program and support from the Wildlife Service led to two projects being funded by the federal government, a review of the 1986 plan of management for the reserve, and investigation into options for addressing shoreline erosion. An amount of $100,000 was allocated by the Minister for the Environment and Heritage. Recently, a further $25,000 was matched by the New South Wales government.

Environment Australia has established the Botany Bay Intergovernmental Ministerial Group, which will meet over the next four to six weeks to discuss environmental issues in the bay. I am delighted the group will be looking at combating the QX parasite that has decimated...
our local oyster industry. I would also like to commend Senator Rod Kemp for his hard work in brokering a deal between the New South Wales Oyster Farmers Association and the Australian Taxation Office to ensure that oyster farmers will have an extra year for their transition into the new tax system.

In 1995, the state Labor government promised the people who used the beaches off Cronulla an upgrade to the Cronulla sewage treatment plant to provide tertiary treatment. It has taken years for delivery on that promise. I might add that it is only because of the constant pressure brought to bear by the state member for Cronulla, Malcolm Kerr, that movement has been made towards the achievement of this goal. The consortium brought together for this project is on target to complete the plant upgrade in March 2001.

Unfortunately, the issue of the sand hills at Kurnell is one in which little headway has been made. Anyone not from the area who has seen the movie *Forty Thousand Horsemen*, which was shot in the undamaged parts of the Kurnell sandhills on the shore at Botany Bay, will have a picture of this area of Sydney. If James Cook was a torchbearer in the Kurnell leg of the Olympic torch relay this September he would hardly recognise the place since he was there last in this month 230 years ago. I am sure he would be disturbed by the levelling of all but two of the massive sand dunes. Likewise, botanist Joseph Banks would be perplexed to record mangrove erosion and that the forests of mahogany and blackbutt have been felled and replaced with infestations of pampas, bitou bush and lantana. Breen Holdings and the Holt Group have been mining the sand for decades.

When I was a young boy I used to play frequently in the sandhills of the area. I fondly recall a school excursion that went to re-enact the landing of Captain Cook when I felt that I was somewhat miscast to represent one of our indigenous people—of course with a lot of assistance in terms of cosmetics to change the colour of my skin. It shows how much we have moved in that time to consider that we had that re-enactment at that time on that basis. The fact is that we have a land area which has been decimated. It had blackbutt timber on the area, then it had sheep. The dingos and footrot wiped out the sheep population and then cattle were brought in. The cattle eroded the grass that was on the sandhills to a point where there was nothing left but the sand. These were magnificent; they were used in films and for all kinds of things. Then they moved into mining. Not much is left of the original sandhills and we have, in fact, simply holes in the ground in many areas that are being filled by all types of substances brought in from other areas. It is a great tragedy. I am seeing Philip Holt, the current owner of the land area, and we are going to look at what can be done to rehabilitate this very important and historic area of Sydney.

**Aged Care: Riverside Nursing Home**

*Mr BILLSON (Dunkley) (12.41 p.m.)—* I rise today to draw the parliament’s attention to the article by Darren Gray in today’s *Melbourne Age* which puts the events of the Riverside Nursing Home into some perspective. What it says is that under Labor Riverside was not the place where we would want our loved persons to be. Labor has proven to be impotent in its efforts to protect the wellbeing, the dignity, the health needs and the personal support requirements of residents at Riverside. All one needs to do is to look through some of the standards monitoring visit reports from 1993 to see a litany of concerns raised by the then department with the operators of the facility which led the department to recommend the closure of the facilities. Where was the Labor government? Where was the Labor administration under Carmen Lawrence and her predecessor, Brian Howe? Did they close Riverside? No. Not because there was a lack of compelling evidence that it needed to be closed, and not because there was not a list as long as your arm of concerns about how residents were being treated and the condition of the facilities, but because there was a lack of will. They were not prepared to make the hard decision to close Riverside in the interests of
Minister Bishop deserves the credit and the support of the parliament for taking decisive action in the interests of the residents of Riverside to find appropriate accommodation and to move on with this sorry history of neglect of senior and frail citizens of our community at Riverside. We cannot forget where we have come from. When the first physical assessment of residential aged care facilities in this country was carried out by this government, 227 of those facilities identified as substandard were in Victoria. What do Labor want to do? They want to go back to the very same regime that allowed those circumstances to emerge, that permitted so many facilities to be of substandard physical condition and that allowed this sort of substandard care for the ageing and frail residents and people’s family members—the loved ones—to endure in those later years. There is no point going back to that old system; that old system failed. That old system brought about the concerns that are itemised in the standards monitoring visits reports going to the very heart of the dignity, the physical needs, the health care, the supervision and the condition of the facilities at Riverside that Labor failed to act on. When this government was elected, we started to see some improvement at Riverside because the proprietors got the very clear message that the coalition was concerned about the care and the dignity of our most frail and oldest Australians. They have failed to meet those standards and it is a credit to the government for acting decisively to deal with the residents’ interests.

Main Committee adjourned at 12.44 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Private Members Business: Office of Parliamentary Council Assistance
(Question No. 1192)

Mr Martin Ferguson asked the Attorney-General, on notice, on 17 February 2000:

(1) What capacity do Senators and Members have to seek assistance from the Office of Parliamentary Counsel (OPC) in the drafting of private member’s bills.

(2) When OPC provides services to draft private member’s bills, is this done with his knowledge and consent.

(3) Has he given consent to OPC assisting with the drafting of private member’s bills since he became Attorney-General; if so, (a) for which bills, (b) on what basis was approval given to OPC and (c) what was the cost of the assistance.

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

I am advised that:

(1) The Office of Parliamentary Counsel (OPC) is available to provide assistance to Senators and Members in the drafting of private members’ Bills, subject to the demands of the Government’s legislation program. For instance, under Program Management Budgeting, OPC’s objective was expressed along the following lines:

To enable the Government to carry out its legislative program, and (subject to Government priorities) to assist private members with their legislative requirements, by drafting Bills and amendments to Bills and supplying them to Parliament.

In general, the demands of the Government’s own program rule out OPC assisting in the drafting of private members’ Bills.

However, from time to time OPC drafters give informal advice on particular issues to staff of the Parliamentary Departments involved in drafting private members’ Bills. As well, OPC drafters sometimes draft, or redraft, proposed non-government amendments to Bills at the request of Ministerial or departmental staff, and those staff sometimes supply the amendments to the sponsoring non-government Members or Senators.

(2) I would not normally be informed of OPC involvement in the drafting of private members’ Bills or amendments as described in answer to question (1). In the unlikely event that First Parliamentary Counsel considered it might be appropriate to make a significant commitment of drafting resources to a private member’s Bill, I would expect her to raise the matter either with me or with the Parliamentary Business Committee.

(3) I have not consented to OPC assisting with the drafting of any private member’s bill since I became Attorney-General.

However, as mentioned in OPC’s 1998-99 Annual Report, OPC did draft a private member’s Bill (the Adelaide Airport Curfew Bill) during that year.

The Bill was originally drafted in 1998 on the instructions of the then Department of Transport and Regional Development, and was also mentioned in OPC’s 1997-98 Annual Report. The Department had been authorised by the Government to assist the Member concerned in connection with the Bill, and approached OPC about drafting assistance.

Since the Bill was to draw heavily on the Sydney Airport Curfew Act 1995 that OPC had previously prepared, it required minimal drafting resources to prepare. The minor revisions of the Bill done after the 1998 election also required minimal drafting resources.

On each occasion OPC was able to make those drafting resources available without significantly interfering with normal drafting work. Having regard to the Government decision and to the minor use of drafting resources, First Parliamentary Counsel took the view that it was appropriate to make drafting resources available but that there was no need to raise this matter with me or with the Parliamentary Business Committee.
Minister for Immigration and Multicultural Affairs: Function Representatives
(Question No. 1211)

Mr Leo McLeay asked the Minister for Immigration and Multicultural Affairs, upon notice, on 6 March 2000:

1) Has he instituted a practice of having State Liberal and National Party Members of Parliament represent him at citizenship ceremonies; if so, when did he institute the practice.

2) At which citizenship ceremonies on Australia Day 2000 was he represented by State Liberal and National Party Members of Parliament.

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

1) Since I came to this portfolio in 1996, I have maintained the practice of successive Ministers for Immigration and Multicultural Affairs as set out in the booklet “Australian Citizenship Ceremonies – A Handbook for Local Government” ie;

   “The official list of invitations to public ceremonies must include:
   . the Minister for Immigration and Multicultural Affairs, or his or her representative. Wherever possible, the Minister for Immigration and Multicultural Affairs will nominate as his or her representative, a government member of the House of Representatives, a government Senator, a senior officer of the Department of Immigration and Multicultural Affairs or another appropriate person.”

2) In response to invitations for my attendance the following State Liberal and National party Members of Parliament represented me at citizenship ceremonies conducted on Australia Day 2000:

<table>
<thead>
<tr>
<th>Representative</th>
<th>Council</th>
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<tbody>
<tr>
<td>The Hon Don Harwin, MLC</td>
<td>Hurstville City, NSW</td>
</tr>
<tr>
<td>The Hon Don Harwin, MLC</td>
<td>Kogarah City, NSW</td>
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<tr>
<td>Ms Kerry Chikarovski, MP</td>
<td>City of Willoughby, NSW</td>
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<tr>
<td>The Hon Cameron Boardman, MLC</td>
<td>Frankston City, VIC</td>
</tr>
<tr>
<td>Mr Geoff Leigh, MLA</td>
<td>City of Greater Dandenong, VIC</td>
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<tr>
<td>Mr John Hegarty, MLA</td>
<td>Redland Shire, QLD</td>
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<tr>
<td>The Hon Vincent Lester, MLA</td>
<td>Rockhampton City, QLD</td>
</tr>
<tr>
<td>The Hon Simon O’Brien</td>
<td>Kwinana Town, WA</td>
</tr>
<tr>
<td>The Hon Loraine Braham, MLA</td>
<td>Alice Springs Town, NT</td>
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<tr>
<td>The Hon Denis Burke, MLA</td>
<td>Palmerston Town, NT</td>
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</table>

Other Federal Liberal and National Party parliamentarians who represented me at Australia Day 2000 citizenship ceremonies were:

<table>
<thead>
<tr>
<th>Representative</th>
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<tbody>
<tr>
<td>Senator Marise Payne,</td>
<td>Auburn, NSW</td>
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<tr>
<td>Senator Marise Payne,</td>
<td>Holroyd City, NSW</td>
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<tr>
<td>The Hon Alan Cadman, MP</td>
<td>Baulklham Hills, NSW</td>
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<tr>
<td>Senator the Hon Bill Heffernan</td>
<td>Concord, NSW</td>
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<tr>
<td>The Hon Andrew Thomson, MP</td>
<td>Randwick, NSW</td>
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<tr>
<td>Dr David Kemp, MP</td>
<td>Bayside City, VIC</td>
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<tr>
<td>Mr Petro Georgiou, MP</td>
<td>Booroondara City, VIC</td>
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<tr>
<td>Mr Bob Charles, MP</td>
<td>Casey, VIC</td>
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<tr>
<td>Dr Sharman Stone, MP</td>
<td>Gannawarra Shire, VIC</td>
</tr>
<tr>
<td>Senator the Hon Margaret Reid</td>
<td>ACT Ceremony</td>
</tr>
</tbody>
</table>
Local Government Counsellors who represented me at Australia Day 2000 citizenship ceremonies were:

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<tr>
<th>Representative</th>
<th>Council</th>
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<tbody>
<tr>
<td>Cr Neville Castle</td>
<td>City of Lithgow, NSW</td>
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<tr>
<td>Cr Laurel O’Toole</td>
<td>Strathfield City, NSW</td>
</tr>
<tr>
<td>Cr Cec Glenholmes</td>
<td>Shellharbour, NSW</td>
</tr>
<tr>
<td>Cr Bill Brennan</td>
<td>Hervey Bay City, QLD</td>
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<tr>
<td>Cr Yvonne Chapman</td>
<td>Pine Rivers Shire, QLD</td>
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In addition to other Australia Day celebration activities on Australia Day 2000, I personally attended Australia Day 2000 celebrations conducted by the Hornsby Council at Galston and a citizenship ceremony conducted by the Parramatta City Council.