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

PRIVACY AMENDMENT (PRIVATE SECTOR) BILL 2000

First Reading

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

Second Reading

Mr WILLIAMS (Tangney—Attorney-General) (9.31 a.m.)—I move:

That the bill be now read a second time.

The Privacy Amendment (Private Sector) Bill 2000 is the most significant development in the area of privacy law in Australia since the passage of the Privacy Act in 1988. Based on industry benchmarks and over 12 months of intensive consultation with Australian business, consumers and privacy advocates, the bill establishes national standards for the handling of personal information by the private sector. For the first time, Australians can be confident that information held about them by private sector organisations will be stored, used and disclosed in a fair and appropriate way. For the first time, Australians will have a right to gain access to that information and a right to correct it if it is wrong.

This bill is about confidence building. It is about giving consumers confidence in Australian business practices. It is about giving business confidence in a more level playing field. It is about giving the international community confidence that personal information sent to Australia will be stored safely and handled properly.

While some businesses in Australia are leading the way by putting in place codes of practice which commit them to handling personal information in a fair and responsible way, these good business practices are not consistent. The Privacy Amendment (Private Sector) Bill 2000 provides a national, consistent and clear set of standards to encourage and support good privacy practices.

The bill is one element of the government’s strategy to ensure that full advantage is taken of the opportunities presented by electronic commerce and the information economy for Australian business and Australian consumers. The Australian public has expressed concern about the security of personal information when doing business online. This concern, if not addressed, has the potential to significantly influence consumer choices about whether or not to participate in electronic commerce.

The bill provides a framework within which Australian business will be able to address these concerns effectively and efficiently. There is no doubt in my mind that businesses which demonstrate that they are committed to protecting the privacy of their customers will gain a competitive advantage. Addressing privacy concerns is clearly smart business. It is smart business domestically, but it is also smart business internationally. Increasingly, important trading partners are requiring an assurance that information will be given appropriate protection. This bill will ensure that Australia is in a position to meet international obligations and concerns and that we are not disadvantaged in the global information market.

The bill draws on the 1980 OECD Guidelines for the Protection of Privacy and Transborder Flows of Personal Data, which represent a consensus among our major trading partners on the basic principles that ought to be built into privacy regulation. It will also implement certain obligations under article 17 of the International Covenant on Civil and Political Rights.

The bill is intended to facilitate trade in information between Australian and foreign companies. Without such legislative measures, this trade may be adversely affected. The 1995 European Union directive on the protection of individuals with regard to the processing of personal data and on the free movement of such data restricts the transfer of personal information from member countries to other countries unless adequate privacy safeguards are in place. I am confident that this bill will provide adequate privacy safeguards to facilitate future trade with EU members.

The real strength of this legislation stems from the highly interactive way it has been developed. The National Principles for the Fair Handling of Personal Information, which
form the basis of the bill, were developed by the Privacy Commissioner following extensive consultation with business, consumers and other stakeholders. The national principles are a set of guidelines for the collection, holding, use, disclosure and transfer of personal information.

The government’s commitment to a fully consultative process continued following the announcement in December 1998 that we would legislate. A core consultative group was established with a membership drawn from peak business, consumer and privacy groups. The states and territories were also represented. The group provided an invaluable arena in which to test and develop various legislative models and to examine how each model would operate in practice. In addition, the Privacy Commissioner was asked to consult with health stakeholders as to how the national privacy principles should be modified to deal with health information.

An information paper issued in September last year followed by a successful series of public consultation meetings in Sydney, Melbourne and Perth and draft key provisions made public in December attracted a large number of submissions. Drawing on this input and feedback has allowed us to draft a bill which, I believe, will establish the best possible scheme for the Australian context.

The bill will amend the existing Commonwealth Privacy Act 1988, which currently regulates the handling of personal information by the public sector. The aim of this bill is to encourage private sector organisations and industries which handle personal information to develop privacy codes of practice. Where an organisation or industry does not put a privacy code in place, the national privacy principles will apply. The national principles will also provide the benchmark for industry codes. Before approving a code, the Privacy Commissioner will have to be satisfied that it provides at least the same level of protection as the national principles.

Where someone is not satisfied with the way an organisation is handling his or her personal information, they will be encouraged to take up their complaint with the organisation in question in the first instance. Organisations and industries will have the opportunity to establish approved complaint handling procedures as part of a privacy code. These procedures will be required to meet specific standards as to independence, transparency, fairness and so on. The complaint handling procedure will also have to be accessible.

Where a privacy code does not include a mechanism for handling complaints, the Privacy Commissioner will play that role. Whether the complaint is handled by an industry code adjudicator or by the Privacy Commissioner, the emphasis will be on achieving an outcome through mediation. The government’s aim in establishing these processes is to provide an avenue for individuals to have complaints heard and dealt with quickly and simply and to provide maximum opportunity for complaints to be satisfactorily resolved.

It is also our aim to improve industry practice over time. The Privacy Commissioner will have a significant role in working with business, including the development and issue of best practice guidelines. If an individual and an organisation are unable to reach a satisfactory outcome through mediation and conciliation, the Privacy Commissioner or a code adjudicator will be required to make a determination. In both cases, the decision making process may be judicially reviewed under the Administrative Decisions (Judicial Review) Act 1977. A determination made by the Privacy Commissioner or a code adjudicator may be enforced in the Federal Court or the Federal Magistrates Court. While the bill puts in place a scheme which is intended to support self-regulation, there will be a level of judicial oversight to ensure compliance with decisions of code adjudicators and the Privacy Commissioner.

The government recognises that Australians consider their personal health information to be particularly sensitive and that they expect that it will be handled fairly and appropriately by all those who come into contact with it. Following consultation with health stakeholders, it was agreed that the national privacy principles be modified to accommodate the particular sensitivities surrounding the collection, use and disclosure of personal health information. The modified
principles are designed to ensure an appropriate balance between privacy interests and other important public interests, such as the promotion of research and the effective planning and delivery of health services.

The balance between the interests of privacy and the need to facilitate medical research was an issue that the Privacy Commissioner and the government looked at closely. The bill provides that, where information is collected for research purposes, it must be collected with consent or, where this is not practicable, in accordance with strict safeguards set out in the bill. In addition, researchers must take reasonable steps to de-identify personal information before the results of research can be disclosed.

It is a fundamental principle of fair information handling that individuals be able to access and correct information about themselves. The bill provides for access to health information, except where legitimate and justifiable grounds exist for refusing access. Such grounds include situations where providing an individual with access to their health information would pose a serious threat to the life or health of that or any other person. In providing this right to health consumers, the bill supports what is already good practice among many health professionals.

The government acknowledges that the health profession already has a strong respect for the confidentiality of health information about individuals and maintains sound privacy practices in that respect. The bill is not intended to interfere with those professional values and standards.

Another area where special issues arise is where government services involving personal information are outsourced to the private sector. In these circumstances, it is important to ensure that personal information is given the same level of protection it would receive if it were held by government and that, in specified circumstances, the contracting government agency remains ultimately responsible for the acts and practices of its contractors.

Where an organisation provides services under contract to the Commonwealth government, the legislation makes clear that the contract will be the primary source of a contractor’s privacy obligations in respect of the personal information collected or held for the purpose of performing the contract. The national privacy principles or an approved code will apply only to the extent that they are not inconsistent with the contract. As an extra safeguard, the bill provides that a contractor may not use or disclose personal information for direct marketing purposes unless this is required by the contract.

The bill is not intended to cover state and territory public sector agencies, as this is a matter for the states and territories themselves. The bill recognises that state and territory government business enterprises, or GBEs, take many forms and that the dividing line between the public and private sectors is not always clear. In order to ensure certainty, the bill provides that GBEs that are incorporated under the Corporations Law will automatically be covered by the bill unless they are prescribed otherwise by regulation. Those GBEs not incorporated under the Corporations Law, such as statutory corporations, will not be covered by the bill.

To meet the varying requirements of state and territory governments, however, the bill also provides a flexible opt-in opt-out mechanism for prescribing state or territory instrumentalities. This will be achieved by regulation and will be done only at the request of the state or territory government. The policy behind this mechanism is to ensure that state and territory government functions can continue unaffected by the bill, whilst ensuring that state and territory GBEs that are performing substantially commercial functions will be treated on a level playing field with other private sector organisations.

By introducing this bill, the Commonwealth intends to establish a single comprehensive national scheme for the protection of personal information by the private sector. However, state and territory laws will continue to operate to the extent that they are not directly inconsistent with the terms of the bill.

The national privacy principles recognise the operation of state and territory legislation and the common law. For example, while the principles provide for a right of access to
personal information held about an individual, they also contemplate a situation in which that access may be denied if this denial is required or authorised by law.

While there may be some situations of direct inconsistency, I expect that, in the majority of cases, existing state and territory laws will continue unaffected by this bill. The existing law will simply be supplemented by the standards contained in the national privacy principles.

It is widely acknowledged that the right to privacy is not an absolute right. Like all rights, the individual’s right to privacy must be balanced against a range of other community and public interests. The objects clause of the bill highlights this need for a balanced approach. The structure and principles underlying the legislation, as well as a limited range of express exemptions, ensure that the bill represents an appropriate and workable balance. The bill does not apply, for example, to information collected for personal, family or household affairs.

Similarly, while protecting privacy is an important goal, it must be balanced against the need to avoid unnecessary costs on small business. For this reason, only small businesses that pose a high risk to privacy will be required to comply with the legislation.

Small business is defined in the legislation as a business with an annual turnover of $3 million or less. Such businesses will be exempt unless they hold personal health information and provide a health service, trade in personal information, are a Commonwealth contracted service provider or are prescribed by regulation.

The power to prescribe small businesses, or particular acts or practices of small businesses, provides a flexible way to ensure that other risks to privacy can be brought within the legislation where that is necessary and in the public interest. In considering whether the circumstances justify bringing small businesses within the regulatory scheme, the Privacy Commissioner must be consulted. I also intend to consult with the minister for small business before making a decision on such a regulation.

In addition, small businesses will not be subject to the legislation for a period of 12 months after it comes into force. The government appreciates that small business needs to focus on implementing the new tax system. The extra time given to small business will provide ample opportunity for them to implement the changes to the tax system before turning to how they will handle personal information.

Even so, with the increasing demands from consumers and larger business partners for greater respect for privacy, more small businesses are recognising that good privacy practices are good business practices. The bill provides an excellent foundation for Australian small businesses to take the initiative voluntarily in relation to privacy. This will allow them to capitalise on the increased consumer and business confidence that results from proper practices.

The bill also includes an exemption for employee records. An ‘employee record’ is defined to capture the types of personal information about employees typically held by employers on personnel and other similar files.

While this type of personal information is deserving of privacy protection, it is the government’s view that such protection is more properly a matter for workplace relations legislation.

It should be noted, however, that the exemption is limited to collection, use or disclosure of employee records where this directly relates to the employment relationship. This is designed to preclude an employer selling personal information contained in an employee record to a direct marketer, for example.

The media in Australia have a unique and important role in keeping the Australian public informed. In developing the bill the government has sought to achieve a balance between the public interest in allowing a free flow of information to the public through the media and the individual’s right to privacy. In order to achieve this balance, the bill does not apply to acts and practices of media organisations in the course of journalism.
A range of other provisions in the bill also recognise the important role of the media in facilitating the free flow of information to the public.

The bill also includes an exemption for political representatives where acts or practices are related to participation in the political process, including referendums and elections at the local, state or federal level.

Freedom of political communication is vitally important to the democratic process in Australia. This exemption is designed to encourage that freedom and enhance the operation of the electoral and political process in Australia. I am confident that it will not unduly impede the effective operation of the legislation.

In order to allow time for the private sector to develop codes, revise existing codes and put appropriate practices in place, the bill will only come into operation 12 months after it receives royal assent, or on 1 July 2001, whichever is later. In addition, as I have already noted, small businesses will have an additional 12 months before the legislation comes into operation in respect of their acts and practices.

This bill establishes a new approach to the protection and handling of personal information in the private sector. Because our approach is unique, I believe it would be extremely useful to have a report on the operation of the legislation in due course to ensure that it is achieving all our goals. I will ask the Privacy Commissioner to conduct a formal review of the operation of the legislation, and of all the exemptions, in consultation with key stakeholders after it has been in operation for two years.

In developing this legislation the government has drawn extensively on consultation and feedback provided by Australian business, consumers and privacy advocates. As a result, the bill will establish a scheme which is responsive to both business and consumer needs and that implements privacy protection in a realistic, balanced and workable way. It represents the very best of Australian policy development and law making and will help to ensure that Australian business and Australian consumers are in a position to take full and confident advantage of the future in the fast developing information economy. I commend the bill to the House and present the explanatory memorandum to the bill.

Debate (on motion by Mr McClelland) adjourned.

PRIMARY INDUSTRIES (EXCISE) LEVIES AMENDMENT BILL 2000

First Reading

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

Second Reading

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (9.52 a.m.)—I move:

That the bill be now read a second time.

The purpose of this Primary Industries (Excise) Levies Amendment Bill 2000 is to remove a sunset clause—that is, clause 7—from schedule 18 to the Primary Industries (Excise) Levies Act 1999.

The sunset clause of schedule 18 to the act currently provides that schedule 18 to the act ceases to be in force at the end of 30 June 2000. Schedule 18 to the act provides for the imposition of levy on transactions involving sheep, lambs and goats. The levy raises around $16 million per annum. Those funds are paid into consolidated revenue and then disbursed to a number of purposes for the benefit of the sheep, lamb and goat industries. Those purposes are marketing, research and development, and animal health.

Without an amendment to or a repeal of the sunset clause, there will be no statutory basis, after the end of 30 June 2000, by which levies can be raised for the above purposes.

Schedule 18 to the act provides for the imposition of levy on transactions involving sheep, lambs and goats. The levy raises around $16 million per annum. Those funds are paid into consolidated revenue and then disbursed to a number of purposes for the benefit of the sheep, lamb and goat industries. Those purposes are marketing, research and development, and animal health.

Without an amendment to or a repeal of the sunset clause, there will be no statutory basis, after the end of 30 June 2000, by which levies can be raised for the above purposes.

Shortly after the levy became effective on 1 July 1998, the then Minister for Primary Industries and Energy, the Hon. John Anderson MP, wrote to the Sheepmeat Council of Australia advising that he required the council to initiate a review of the transaction levy mechanism and provide an agreed industry recommendation on the most appropriate mechanism to apply from 1 July 2000.

The Sheepmeat Council, after extensive consultation, has provided the government
with a report, recommending that no change be made to the current levy regime and that these arrangements continue beyond the end of 30 June 2000. Accordingly, to give effect to industry’s recommendation, there is a need to repeal the sunset clause.

The inclusion of the sunset clause came about as a consequence of a report dated 25 November 1997 by the Senate Rural and Regional Affairs and Transport Legislation Committee on the Livestock Transactions Levy Bill 1997. That committee, in its report, found amongst other things that there was considerable division of opinion on the scheme of the transaction levies proposed by the Livestock Transactions Levy Bill 1997, particularly between producers in the sheepmeat industries and those in the wool producing industries. The Livestock Transactions Levy Bill 1997 was amended to introduce the sunset clause in order to prompt a review.

The Livestock Transactions Levy Act 1997 was repealed by the Primary Industries Levies and Charges (Consequential Amendments) Act 1999 but replaced, in effect, by schedule 18 to the Primary Industries (Exercise) Levies Act 1999 as part of a wider portfolio levies and charges legislation rationalisation exercise.

Whilst the divisions referred to in the above Senate report may still be in existence, it appears that the issues have been comprehensively addressed in the Sheepmeat Council’s report. A proposal for a levy rebate for lambs used for wool production was considered and found to be impractical under Agriculture, Fisheries and Forestry Australia’s Levies Management Unit’s levies collection legislation. It would weaken compliance, complicate the audit process and significantly increase administration costs.

In any event, there was no evidence of opposition from the peak wool growing organisation, the Wool Council of Australia, who chose not to make a submission to the Sheepmeat Council review of the levy arrangements.

Further, wool producers receive the benefit of the levy relief arrangements that are in place from 1 September 1999 until 31 August 2001. The levy relief arrangements, reducing the levy from two per cent to one per cent on lamb sales, were introduced by the government in response to the tariff rate quota regime imposed by the United States government commencing on 22 July 1999.

The repeal of the sunset clause will allow the continuation of the levy mechanisms in accordance with the wishes of industry. I present the explanatory memorandum to the bill.

Debate (on motion by Mr Horne) adjourned.

**AVIATION LEGISLATION AMENDMENT BILL (No. 2) 2000**

*First Reading*

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

*Second Reading*

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (9.57 a.m.)—I move:

That the bill be now read a second time.

In July 1996 the government announced that the Civil Aviation Safety Authority, CASA, would conduct a complete review of the civil aviation legislation in Australia, with the objectives of harmonising it with international standards of safety regulation and making it shorter, simpler and easier to use and understand. We are taking a measured and sensible approach to these reforms because we recognise that Australians are conservative about air safety.

The process of review of civil aviation legislation is ongoing. Recent efforts in this regard have been directed at promulgating standards for air traffic services, rescue and fire fighting services and telecommunication services, and reviewing the law in relation to air traffic controller and aircraft maintenance engine licensing, parachuting operations and aircraft maintenance. The primary purpose of this bill is to make a series of small but significant changes to terminology in the Civil Aviation Act 1988, which will assist in the development of regulations dealing with aircraft maintenance and maintenance engineer licensing.

The proposed legislative changes to the act seek to achieve compliance with standards and recommended practices of the Interna-
tional Civil Aviation Organisation, ICAO, and to harmonise with the requirements of other national airworthiness authorities, NAAs, by removing, wherever practicable, maintenance requirements and terminology currently unique to Australia. The internationally recognised and accepted terms ‘aeronautical product’, ‘maintenance’ and ‘line maintenance’ will replace existing terminology and reflect the requirements necessary for the enabling legislation dealing with aircraft maintenance.

The proposed changes will have no effect on the current aircraft maintenance requirements prescribed by the Civil Aviation Regulations. They will, however, ensure that new Australian regulations harmonise with international standards and practices and promote the maintenance of air safety.

The bill also makes two other important amendments to the Civil Aviation Act. Firstly, the bill gives CASA the function of entering into so-called ‘Article 83bis agreements’ with the NAAs of other countries. Under the Convention on International Civil Aviation, Chicago 1944 (the Chicago convention) a state party to the convention is generally responsible for the safety regulation of aircraft on that state’s register, irrespective of where the aircraft is in the world. Some obvious difficulties in administering safety regulations arise when an aircraft registered in one country is operated in another. Article 83bis is a relatively recent addition to the Chicago convention, and enables the transfer of safety regulatory functions from the state of registration of an aircraft to the state of operation of the aircraft, on agreement of both states. The ICAO considers that such agreements should be made between the relevant national aeronautical authorities, as they are administrative instruments of less than treaty status.

Australia ratified article 83bis on 2 December 1994 after amending the Civil Aviation Act by the Transport and Communications Legislation Amendment Act (No. 2) 1993. Importantly a new section 4A was inserted which allows provisions of the Civil Aviation Act implementing the functions under articles 12, 30, 31 and 32 of the Chicago convention:
to be applied to a foreign aircraft identified in an Article 83bis agreement which transfers those functions to Australia; and
to be disapplied to an Australian aircraft identified in an Article 83bis agreement which transfers those functions to another state.

This bill ensures that CASA will have the function to enter into article 83bis agreements on behalf of Australia. Administrative and technical provisions concerning the implementation of these agreements will be covered in regulations to be developed by CASA and my department in consultation with industry.

Taking into account Australia’s objective of harmonising with international standards of safety regulation, the ability for Australia to enter into article 83bis agreements should also benefit the Australian aviation industry and the consumer in terms of increased economic opportunities and reduced costs. For example, domestic operators would potentially have greater flexibility and more cost-effective options in operating their aircraft fleets, and in being able to lease aircraft to overseas operators, that are underutilised in Australia during periods of low demand. Australian maintenance organisations could have increased opportunities to carry out work on foreign aircraft that would otherwise have been carried out overseas.

Secondly, the bill adds to CASA’s suite of enforcement tools, by giving it the power to accept written undertakings from people in relation to compliance with civil aviation safety legislation. Giving of such undertakings will be completely voluntary—CASA will not have the power to compel the giving of undertakings. However, once a person has given an undertaking, CASA will be able to seek an order from the Federal Court requiring a person to abide by his or her undertaking. The provision is modelled on section 87B of the Trade Practices Act 1974.

Finally, the bill makes amendments to the Civil Aviation (Carriers’ Liability) Act 1959 to correct an inadvertent error which imposed a liability on foreign charter operators which
is inconsistent with Australia’s international obligations under the Convention for the Unification of Certain Rules relating to International Carriage by Air, Warsaw 1929 (the Warsaw convention). The correction ensures that Australia imposes certain liabilities only upon Australian airlines, not foreign.

There will be no anticipated added cost to the budget due to the amendments of the Civil Aviation Act or the carriers’ liability act. There will, however, be long-term cost benefits to those aviation industries involved in international trade which will flow from the legislative changes, as Australia’s law will reflect the law of major markets for aviation products and services. On behalf of the Minister for Transport and Regional Services, I present the explanatory memorandum to the bill.

Debate (on motion by Mr Horne) adjourned.

A NEW TAX SYSTEM (FAMILY ASSISTANCE AND RELATED MEASURES) BILL 2000

Consideration of Senate Message

Message from the Governor-General recommending appropriation announced.

Consideration resumed from 11 April.

Senate’s requested amendments—

(1) Schedule 1, page 66 (before line 10), before item 57, insert:

56A At the end of subparagraph 7(a)(ii) of Schedule 2
Add “or is receiving income support supplement under Part IIIA of the Veterans’ Entitlements Act 1986”.

(2) Schedule 3, page 251 (before line 6), before item 1, insert:

1A Subsection 17(1) (definition of income cut-out amount)

Repeal the definition, substitute:

income cut-out amount is the amount worked out using the formula in subsection (8).

1B At the end of section 17
Add:

(8) For the purposes of the definition of income cut-out amount in subsection (1), the formula is as follows:

<table>
<thead>
<tr>
<th>Maximum</th>
<th>Pharmaceutical amount for a single person</th>
<th>Ordinary free area limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>[ Basic rate ]</td>
<td>52</td>
</tr>
</tbody>
</table>

where:

maximum basic rate means the sum of the amount specified in column 3 of item 1 in Table B in point 1064-B1 and the amount of pension supplement worked out under point 1064-BA2 for a person who is not a member of a couple.

Note: Point 1064-BA2 refers to maximum basic rate. Maximum basic rate depends on a person’s family situation. The rate used here is the rate for a person who is not a member of a couple.

ordinary free area limit means the amount specified in column 3 of item 1 in the Pharmaceutical Allowance Amount Table in point 1064-C8.

pharmaceutical amount for a single person means the amount specified in column 3 of item 1 in the Pharmaceutical Allowance Amount Table in point 1064-C8.

Mr Anthony (Richmond—Minister for Community Services) (10.05 a.m.)—I move:

That the requested amendments be made.

I would like to note, as the member for Grayndler notes, that these are requests from the Senate. Certainly, we would like to deal with these items swiftly, send them back to the Senate and then debate other amendments—in particular, shared care will be done later today. Request for amendment No. 1 inserts item 56A into schedule 2 to the bill, which amends the CCB income test. This amendment makes sure that the CCB income test does not apply where an individual or his or her partner is receiving an income support supplement under the Veterans’ Entitlements Act 1986. This supplement does not apply where an individual or his or her partner is receiving an income support supplement under the Veterans’ Entitlements Act 1986. This supplement is, therefore, treated in the same way as other income support payments that are already grounds for the exemption from the CCB income test, as is also being done for FTB.

Request for amendment No. 2 inserts new item 1A into schedule 3 to the bill and amends the definition of income cut-out amount in subsection 17(1) of the Social Security Act 1991. The definition of income cut-out amount in the Social Security Act is reworked so that it takes into account the pension supplement in the same way as the
maximum basic rate of pension. This ensures that both the pension supplement and the maximum basic rate of pension are taken into account in determining the duration of a compensation lump sum preclusion period. This amendment ensures that the basis for calculating the preclusion period is unchanged by the introduction of the pension supplement. Without the amendment, the duration of the preclusion period would be longer.

Mr ALBANESE (Grayndler) (10.08 a.m.)—In debating these requested amendments from the Senate, I note that one of the issues that the opposition raised when the A New Tax System (Family Assistance and Related Measures) Bill 2000 was introduced was that we were given a grand total of six days to analyse the bill. The bill was some 300 pages long, with an explanatory memorandum of 203 pages. So it is not surprising that the government has to accept that the Senate has made requests. Effectively, once again, we see that the government is not having open scrutiny of its legislation and is, indeed, prepared to concede that errors are being made.

The substantive debate that remains a conflict between the government and the opposition, revolving around the shared care arrangements, will be held later on today. The opposition has been successful in carrying an amendment in the Senate that would confirm the current situation whereby a carer must have at least 30 per cent care of a child in order to be eligible for payments. We believe that this is consistent with the Child Support Agency arrangements. Furthermore, the opposition is flexible enough to have allowed in our amendment the ability for parents to come to an arrangement whereby, if as a percentage there is less than 30 per cent care, as long as both parents agree, that payment can be divided up in accordance with the amount of time each parent has care over the child. We believe that the primary carer needs, and indeed requires, as is appropriate and recognised in other legislation relating to primary carer, to be given appropriate financial support. We will be pursuing those amendments. Hopefully, the government will change its mind over lunch and, upon coming back this afternoon, we will not have to have a debate on this.

Question resolved in the affirmative.

TAXATION LAWS AMENDMENT BILL (NO. 10) 1999
Second Reading
Debate resumed from 14 October 1999, on motion by Mr Hockey:
That the bill be now read a second time.

Mr KELVIN THOMSON (Wills) (10.11 a.m.)—The opposition supports the Taxation Laws Amendment Bill (No. 10) 1999, but I move as an amendment to this motion:

Whilst not declining to give the bill a second reading, the House expresses its concern with
(1) recent revelations about the administration of the Australian Taxation Office;
(2) the misleading claims of the government concerning its taxation proposals;
(3) the flawed implementation process of the various new taxation arrangements;
(4) the role of the tax office in the transition to the new taxation arrangements; and
(5) the fundamental unfairness and complexity of so much of the new tax arrangements.

The administration of the Taxation Office is now in a state of chaos. As reported by a number of newspapers, Mr Nick Petroulias, who was the Australian Taxation Office’s First Assistant Secretary between 1997 and 1999, was recently arrested at Melbourne airport with his two brothers, after 34 search warrants were issued across five states. The tax office has confirmed that Mr Petroulias was arrested after an investigation into the potential misuse of advanced opinions and private binding rulings. The rulings and opinions are issued by the tax office as binding on itself and are widely relied on by tax advisers. It is alleged that Mr Petroulias corruptly issued particular rulings to applicants who promoted tax minimisation schemes for the purpose of reducing or eliminating tax. Mr Petroulias had been hired by tax commissioner Michael Carmody to head the Strategic Intelligence Unit. That unit had been formed to combat the use by wealthy indi-
viduals of tax schemes, including question-
able superannuation and fringe benefits
schemes.

Following Mr Petroulias’s arrest, the tax
office has announced a complete review of
private binding rulings and indicated that
they may no longer be binding. According to
a letter from Commissioner Carmody, the tax
office’s current position on the status of the
rulings is that ‘an unlawful ruling is not
binding on the Australian Taxation Office’.
The commissioner goes on to say, ‘I will be
seeking broad advice before taking action.’
With those two sentences, the whole status
of private binding rulings is now up in the air
for an indefinite period. The expression ‘an
unlawful ruling is not binding on the Austra-
lian Taxation Office’ presents us with a cir-
cular argument. The whole point of private
binding rulings was to give taxpayers some
certainty as to what the law was. To say that
a ruling that is unlawful will not be honoured
sweeps away that certainty and puts taxpay-
ers back where they were—and potentially in
much worse situations, if they have acted in
good faith in reliance on these rulings.

The tax office has not released information
as to what schemes may be affected by being
deemed unlawful. As usual, Assistant Treas-
urer Kemp was of no use when questioned on
this matter in the Senate last week. He was
not even able to rule out the prospect that the
private binding rulings given concerning the
GST—and evidence to the Senate estimates
committee suggested that there are over
7,000 of these—are now being reviewed and
revisited. But it is widely understood that
rulings on four types of tax scheme are the
primary object of attention: employee benefit
trusts, employee share schemes, offshore su-
perannuation schemes and controlling inter-
est superannuation arrangements. These
schemes are designed to avoid a mix of in-
come tax, fringe benefits tax, superannuation
contributions tax and the superannuation sur-
charge tax, depending on the scheme used.

The opposition understands that the issu-
ing of private binding rulings concerning
such schemes was essentially instigated by
Remuneration Planning Corporation Pty Ltd,
a Sydney based company involved in general
tax advisory services and one which has been
very active in tax avoidance schemes. Remu-
neration Planning Corporation employs, and
is part owned by, Mr Kris Chikarovski. It
was at the forefront of tax schemes known as
employee share/save plans which allowed
pretax income to be invested in a range of
items and allowed great opportunity for un-
limited tax deferral and avoidance.

In 1998, the tax office advised RPC and
other practitioners—and there were others—
that these schemes were unacceptable and
followed this up with public pronouncements
that they were banned. A draft ruling to this
effect was released on 28 October 1998.
RPC, I suppose naturally enough, made rep-
resentations to the tax office on the tax is-
issues. After some time, the whole subject be-
came very fuzzy and it became quite unclear
as to how the tax office was handling the is-
sue. It is noteworthy that the final ruling on
the issue of employee benefit trusts and
non-complying superannuation funds con-
tained an addition to the draft ruling. In the
section covering date of effect, the following
words had been added:

The ruling does not apply to taxpayers who have
received a Private Ruling (under Part IV AA of the
Taxation Administration Act 1953) and have im-
plemented the arrangement ruled on, in substan-
tially the same terms as the Private Ruling.

It is pretty clear from the addition of those
words that some people were whispering in
the ear of the tax office—perhaps screaming
in the ear of the tax office—that they had a
private binding ruling on these schemes. It is
also clear that the tax office’s final ruling
issued in May last year indicated it would not
go back on those rulings. The draft ruling had
invited written comments until 11 December
1998 to the tax office, GPO Box 9990, Syd-
ney 2001, attention Bradley Jones, also pro-
viding his phone and fax number. Given the
change in words between the draft ruling and
the final ruling and the massive controversy
concerning the misuse of private binding
rulings that has arisen following the arrest of
Mr Petroulias, I believe the tax office must
disclose the representations it received con-
cerning its draft ruling. It is necessary in or-
der to restore public confidence in the tax
office that we get to the bottom of this matter
and identify who has been involved in it and what their role was.

I have recently come into possession of current promotional material wherein RPC are advising clients to participate in the very same schemes that the tax office had previously and publicly ruled out of bounds. This is very curious indeed. RPC stood to lose considerable sums of money if these schemes were outlawed. The methodology they had used to promote the scheme was dodgy and may well have left them open to common law action from their clients. It is very strange indeed that a tax scheme that had been publicly canned by the tax office in October 1998 is still in operation and apparently being quietly, but effectively, promoted by the same firm. You really have to wonder how this situation has arisen. I have the promotional literature of these companies which outlines the advantages of using what is called an EIP, or employee incentive plan, which replaces the previously used employee savings plans. The plan purports to allow options of tax deferral or tax avoidance for highly paid individuals. They have typically been marketed to closely held companies and have awarded continued incentives to employees who have been isolated from taxation with millions of dollars either being avoided entirely or deferred for a considerable time. Indeed, the plan has even started using this government’s cuts to capital gains tax rates on income converted to capital.

I am told that RPC set up hundreds of employee benefit schemes based essentially on avoiding tax but that it failed to get private binding rulings for each of them. It had one or maybe a couple of these rulings, but it did not go back to the tax office for each client. Indeed, it is suggested that it deliberately did not go back to the tax office to get a private ruling for each client for fear of the tax office waking up to just what a dodgy tax scheme had been created. This worked in the sense that the tax office did not seem to wake up, but it also created a major problem for RPC and clients if the ATO did wake up. So, when the tax office declared the use of such schemes to be not tax effective and then moved to collect outstanding taxes from RPC clients, the clients were absolutely exposed because they did not each have a private ruling from the tax office. In turn, RPC was very exposed, potentially open to litigation from all the clients whom it failed to protect by securing private binding rulings for each of them.

The questions Australian taxpayers are entitled to have answered are: first, what action did the tax office take to enforce its announcement of 1998 that it was cracking down on these schemes? Second, if it did crack down on these schemes, why are they still being peddled? Third, did the tax office or government members receive representations from RPC principals concerning these issues and what action did they take if they received any? I do not ask that question lightly. It has been alleged to me that New South Wales opposition leader, Kerry Chikarovski, arranged a meeting for RPC to meet with then Assistant Treasurer, Jim Short, in 1996 to discuss RPC’s interest in a favourable private binding ruling for its employee benefit schemes—and that RPC did subsequently receive a favourable private ruling for these schemes. It has also been alleged to me that RPC met with Liberal Senator John Watson in 1996 or 1997 concerning these matters. Senator Watson is a member of the Senate committee which inquired into the tax office and which reported recently.

On the subject of the Senate committee, I also note a letter to the Australian Financial Review published on Wednesday, 5 April by Mr Mike Aitken, a partner in Minter Ellison in Sydney, who complains that action against the former assistant commissioner, Mr Petroulias, was held back until after the Senate had reported on its inquiry into the operation of the Australian Taxation Office. Mr Aitken says in his letter:

As a person who appeared before the Senate Committee (on November 2, 1999) to provide evidence, I am somewhat upset over the probability that the Commissioner deliberately withheld taking action against the former Assistant Commissioner until after that committee had tabled its report.

I have not spoken to any members of the Senate committee about this affair, but I would not be surprised if they were indeed
concerned that Mr Petroulias was arrested just days after their report was tabled.

There is a second and perhaps even more serious question concerning the timing of the action against Mr Petroulias. The evidence is that this matter has been the subject of tax office investigation for a full 12 months. So Mr Carmody has known about it since at least early 1999. Mr Carmody was coming up for a seven-year reappointment—in this day and age a very substantial piece of job security indeed—in late 1999, and he was in fact reappointed by Treasurer Costello late last year. Just how much information did Mr Carmody provide to Treasurer Costello about the Petroulias affair and the private binding rulings debacle prior to his reappointment? Clearly such matters could well have influenced the Treasurer’s view of how the tax office was going and the appropriateness for reappointment of Mr Carmody.

Certainly any evidence that action against Mr Petroulias was delayed until Mr Carmody’s appointment was safely out of the way would be a matter of the greatest concern, and this is just one of a number of reasons why investigation of the private binding rulings issue by the tax office alone is not enough. An independent investigation is required. The Australian Financial Review Weekend Edition, headed ‘Carmody’s crisis—the trouble at the ATO’ says:

One of the more astonishing revelations of recent days is that there was no central registry to keep track of these rulings, which allowed aggressive tax minimisers to ‘shop’ for the best ruling at various tax offices around the country.

It goes on to quote Mr Geoff Peterson, who, as technical director for the Taxation Institute of Australia, worked with senior ATO officials on developing a legally binding system of public and private rulings, as saying, ‘You really could not at any one time look up a database and see what had been issued. In isolation, it looks pretty neglectful.’ It certainly does. There can be no doubt that coherent, uniform guidelines for private binding rulings are absolutely essential to the integrity of the tax system. But these reports and allegations indicate beyond all shadow of a doubt that the private binding rulings system is in chaos.

The tax office has been completely over-loaded by the government with GST, PAYG and the Ralph business tax changes. As a result, basic tax office functions such as combating tax avoidance and ensuring the integrity of the system have fallen by the wayside. What has been the cost to revenue of all of this? It is very difficult to know, but one indication comes in a submission from the tax office itself to the House of Representatives Standing Committee on Employment, Education and Workplace Relations, with which the member for Rankin will be familiar, which says that the tax office is reviewing the products of over 40 promoters involved in ‘employee benefit arrangements’ and estimates that the total contributions made by clients of these identified promoters will, on a conservative measure—according to the tax office—amount to approximately $1.5 billion!

Let me turn to another issue to again illustrate the point concerning the tax office’s problems of being overloaded, under-resourced, having their staff poached by outside firms who are able to pay more money and the like. Last year the tax office, in addition to GST, PAYG and the Ralph business tax changes, were given the responsibility for collecting excise. They took it over from Customs. Customs had been involved in a rather long running war with people trying to avoid petrol and diesel excise through a number of fuel substitution rackets—that is, replacing petrol or diesel used as a transport fuel with product that attracts a lower rate of excise or customs duty. Customs had bought seven Nissan Navara trucks and fitted them out with fuel substitution detection equipment at a total cost of anything up to $100,000 per vehicle, and they were hard at it. According to the Australian Customs Service annual report for 1998-99 at page 67, ‘Investigation teams carried out 551 tests on distributors, service stations and transport operators during 1998-99. Of these tests, 52 indicated that the marker was present in the fuel.’ Fifty-two—one in 10—service stations or diesel depots were selling substituted fuel!

You would have expected that the tax office and the government would have realised
they had a massive problem on their hands and employed many more inspectors. Instead, the tax office and Minister Kemp presided over the disintegration of the Customs attempt to crack down on fuel substituters—the staff disappeared, the vehicles were mothballed, the inspections were abandoned: another victim, no doubt, of the government’s two-year obsession with the GST. The tax office and Minister Kemp gave a green light to the fuel substituters. And who were the fuel substituters? The advice I have received is that for the 12 months up until 15 November last year, when the government again changed its fuel excise tariff laws, unleaded petrol was being imported into a Victorian terminal at Hastings run by a Dutch company, Van Omeren, and stored at a bonded warehouse, that is, excise free. Tristate Petroleum, run by Chris Mapstone, would drive and sell this unleaded petrol to Gladstone Chemicals, located at Kororoi Creek Road, Altona. It would be sold to them for 25c to 35c per litre. The tankers would be driven through the yards of Gladstone Chemicals, be rebadged ‘premium B1 solvent’ and then taken directly to service stations.

Gladstone Chemicals was a key player in the fuel substitution scam. They were a bonded warehouse and did not pay excise on the fuel, claiming it was not being used for the purposes of fuel. Nevertheless, they supplied unleaded petrol to service stations owned by the big four—BP, Shell, Caltex and Mobil as well as to other independent-branded service stations. Melbourne service stations were buying the non-excise fuel for much less than the price they would have to pay when the proper excise was paid. I am advised that Gladstone Chemicals was also a key player in the importation of toluene for the purpose of fuel substitution. They have certainly admitted importing toluene and were delivering tanker loads direct to petrol retailers. It beggars belief for them to claim they did not know what was happening to their toluene. The other source of toluene was the company Terminals of Coode Island. One company, Knights of Kilmore, had a subcontractor taking around 20 tanker loads each week from terminals and delivering them to service stations.

What has been the cost to taxpayers of these fuel excise scams? In a letter from the Taxation Office to Mr Andrew Probyn, a journalist with the Herald Sun, Mr Mark Jackson, Deputy Commissioner Excise says:

The ATO does not contest that up to $100 million may have been lost in the 12-month period prior to 15 November 1999.

One hundred million dollars! Given that he is saying this in response to claims by the Liberty Oil company that up to $500 million had been lost and, given that it is the taxation office whose performance is in question here, we need not be surprised if the $100 million is a highly conservative estimate. But on the Taxation Office’s own admission, up to $100 million was lost before November 1999—and all of this because the tax office dropped the ball on fuel substitution and excise avoidance after it took over that responsibility from Customs.

The tax office has claimed that the excise evaded through the toluene scam, which operated between 15 November 1999 and 9 March this year, would be less than $10 million. Industry sources I have discussed this issue with dispute this figure and believe it to be a gross underestimate. Once again, however, we have the tax office admitting that millions of dollars in excise was lost. There is no doubt this happened because Assistant Treasurer Kemp and the tax office had given the green light to fuel substitution.

Because I wish to deal with some of the specifics of the bill and spend some time on the issue of insurance against natural disasters, which relates to one of the bill’s provisions, I do not have time to recount the full litany of problems which the government’s overloading and under-resourcing of the tax office has given rise to, or to spend more time on private binding rulings or fuel substitution—much as I would like to—but I will mention in passing three more matters.

The first matter is superannuation guarantee compliance. The tax office is just not serious enough about chasing up recalcitrant employers who fail to pay their workers’ super into superannuation funds. I have one example from my own electorate. The Fabric Dyeworks Company in Coburg closed down a couple of weeks ago—indeed as a result of
the tax office garnisheeing payments to the company from all its major customers. All of its workers lost superannuation, and some of them lost money outstanding for over two years. This is just not good enough. The scheme of the workplace relations minister, Peter Reith, gives them no superannuation money, unlike the Prime Minister’s bail-out of his brother’s company, National Textiles, where workers got all their entitlements, including superannuation.

Second, a report by the Auditor-General into the way the tax office handles tax debt found serious levels of tax debt owed by comparatively well-off individuals. Audit Report No 23 found that company directors owed the Commonwealth over $500 million in tax debt and that 140 debtors who were company directors and whose individual debt exceeded $100,000 had an average debt of over $1 million. The report also found that 2,000 legal professionals owed the Commonwealth $67 million in tax debt and that there were a number of high income debtors who were serial bankrupts who have entered bankruptcy in the past with little obvious impact on their business. The attitude of these high-wealth debtors towards paying tax is clearly ‘won’t pay’ rather than ‘can’t pay’.

Third, recently I made public a leaked tax office proposal to widen the range of people who can lodge tax returns on behalf of other people for reward from tax agents and lawyers to include anybody. The document expresses concern that there are not enough tax agents and accountants in the whole of Australia to prepare the business activity statements required by the GST and suggests that the existing laws which prohibit anyone receiving payment for preparing tax returns on behalf of others, unless they are a tax agent or lawyer, be abandoned.

I now turn to some of the specifics of the bill. Amongst other things, this bill deals with the exempting from income tax of grants to businesses affected by Cyclone Elaine and Cyclone Vance. This proposal will of course be supported by the Labor Party, as there is an obvious need for the federal government to provide assistance to communities that are suffering from various natural disasters. But, as we all know, there are many other factors involved in helping communities that have suffered from natural disasters, aside from direct government assistance. Communities also have to rely upon insurance companies and, when the natural disaster involves floods, unfortunately getting a payout becomes very difficult indeed and communities have suffered a great deal of distress and angst as a result.

I have been to visit a couple of communities after these disasters to find out how they have dealt with them and the issue of insurance companies and disaster relief payments. For example, in June last year I visited Townsville and met with Mr Peter Beinsson, who is the spokesperson for the Insured Citizens Action Group. They set themselves up after the storms that hit the Townsville region in January 1998. Peter Beinsson lives in the village of Black River and, along with 23 other claimants, was severely affected by the floods. The storm dumped a whopping 549 millimetres over the Townsville area in 24 hours—130 millimetres in one hour during that time. A disaster flood relief fund was set up. This fund was contributed to by the community and was there to benefit the community. Despite this fact, the residents who were affected by these storms were forced to make a difficult choice. They had to do that because the fund would only pay out once the claimants had dropped their claims or had unsuccessfully pursued their claims to the final stage.

This is on the face of it a reasonable condition. You do not want people double-dipping; you want the money to go to people who are in need. But the problem was that residents had to fight with insurance companies for over 10 months on the issue of their insurance payouts, and therefore they could not get access to this fund and they were without assistance during this time. The problem is in reality both one of the fund rules and of the insurance companies. If there is a relief fund for a natural disaster, then those who are affected should not be disadvantaged because they are still pursuing their insurance coverage, and they should not have to battle with their insurance company over legalistic definitions of whether the problem is as a result of a flood or a storm. The wran-
gling of definitions occurred both in Wollongong and Townsville.

In Black River just near Townsville 48 homes were affected by the storm. The residents expected that they would be covered. The insurance companies blamed the damage on floods and rejected their claims. They formed the action group and one of the things they found immediately was that some neighbours were being treated differently from others, depending on which insurance company they were with. The wording of the policies was identical, but some insurance companies paid out, others did not, and some were prepared to pay provided it was an ex gratia payment so they could avoid setting a precedent. We now have a situation where the different insurance companies, NRMA, GIO, AMP, AAMI, Suncorp, and SGIO, are offering a variety of different policies, but there is anything but consistency on the issue of coverage of floods or related damage. This is something that this parliament needs to consider more carefully. I am disappointed that the Prime Minister did not support the call from the member for Cunningham in earlier times for an inquiry from the parliament into this issue and, given other opportunities in debate, I intend to say more about how I think this proposal needs to be dealt with.

One of the other proposals in the bill concerns income tax deductions for gifts made to the Linton Trust which was established to provide assistance to the families of five men who died fighting bush fires in Victoria on 2 December 1998—Garry Vredeveldt, Chris Evans, Jason Thomas, Stuart Davidson and Matthew Armstrong. I know that the member for Corio would have loved to have participated in this debate and talk about that particular issue, which is very important to his community. One of the things we are very concerned about is that the government has taken so long to bring this bill on for debate. The bill was first introduced into the parliament in October 1999. It is not controversial. We will not be voting against it or seeking to delay its passage in any shape or form, and it is a matter of great surprise and disappointment that it has taken from October through to April to get it through the parliament. It has left the trustees of the fund in an invidious position in that they have been unable to distribute the remainder of the fund to surviving relatives until the tax deductibility issue is settled. The trustees have legal advice that it would be imprudent to distribute the remainder of the trust fund until the parliament passes this bill. We are cooperating in the passage of this bill and are disappointed that it has taken as long as it has to get through.

Just briefly, some of the other issues are uncontroversial from our point of view. The capital gains tax rollover relief for managed investment schemes; issues in relation to film licensed investment companies; income tax deduction for gifts; income tax exemption for certain disaster relief payments; and integrity measures for mining expenditure concerning income tax and petroleum resource rent tax—these are not controversial from the opposition’s point of view, but I do ask the House to carefully considered the second reading amendment we have moved concerning the problems which the tax office is experiencing as a result of the government having overloaded it with the GST and under-resourced it to cope with such a massive taxation change.

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

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

Mr SECKER (Barker) (10.41 a.m.)—It gives me great pleasure to speak to this Taxation Laws Amendment Bill (No. 10) 1999 because it gives fairness and many benefits for our taxpayers. The Labor opposition’s position on tax reform is so hypocritical; they oppose this tax reform so much that they will not get rid of it if they get into government. The Labor Party is so bereft of ideas that they still have not come up with a policy or any proposals except for their famous Toorak tractor tax, which they no longer believe in anyway. The only other tax policy they had was to increase capital gains tax, which apparently they do not believe in any more either. So we have a party with no policy, no ideas and no idea, but they oppose our policy so much that they are going to keep it if they are elected. They will say anything and do anything to get into government except come up with a policy, and the
journalists have been conned into helping them.

This government is about making policies for all Australians and not just a few rich ones who might help Labor get into the ministerial suites to make more deals. This government is about making the right decisions and the hard decisions for all Australians and I am proud to be part of bringing in the greatest reform in tax and business in Australia’s history. This government is about giving the biggest tax cuts in Australia’s history, so that the average family will be nearly $50 a week better off. Where does the Labor Party stand? Who knows? They have no policy, no ideas and no idea. They have been given at least 30 chances to say that they will not increase taxes if they get into government, but they will not give that commitment to the Australian taxpayer, because they know that the only way the books can be balanced is to raise taxes with their GST roll-back. Labor is for higher taxes and unfair treatment for families, or perhaps they would just rely on massive budget deficits like the present Leader of the Opposition did when he was the finance minister.

It is with great pleasure that I support this bill, the Taxation Laws Amendment Bill (No. 10) 1999. The background to this bill is the Howard government’s release of proposals for the reform of the Australian tax system where the centrepiece was a GST as a replacement tax for the outdated and inefficient wholesale sales tax regime so loved by those opposite. It also replaces nine other indirect taxes. This much needed tax reform will have other benefits, such as giving the biggest personal tax cuts in Australia’s history. Now that the electorate know that we are delivering this far-reaching tax reform, people will be concentrating on the benefits to come with these huge tax cuts, unlike the infamous la-w tax cuts that were never delivered, with increases in wholesale sales tax instead without any compensation to Australian consumers. These tax cuts will give greater purchasing power to all consumers and continue to grow our economy as greater spending power leads to greater consumption of goods. The changes will revolutionise Commonwealth-state relations by providing states and territories with an independent tax revenue base that grows quicker with the economy. No longer will we have the farce of premier conferences, and the states will have more responsibility and power to chart their own destiny.

This tax reform plan will replace the various existing cumbersome taxation reporting systems of provisional tax, company tax, PAYE, PPS and RPS with one quarterly reporting system called PAYG or pay as you go. Compliance costs and red tape have been the eternal bane of our population, and this bill reduces compliance costs in many cases and the red tape that we all despair about.

This bill will provide more certainty for those taxpayers with simple affairs by reducing from four to two years the period within which those taxpayers are generally able to lodge objections to their assessment. This also applies to written private binding rulings or, indeed, when taxpayers request amendments to their assessments or seek written private binding rulings. This shorter period of review will provide more certainty for taxpaye rs. When oral advice is given by the Australian Taxation Office for simple affairs, that oral advice also becomes binding in much the same way as a private written ruling. This ruling again gives certainty so that taxpayers know that they can rely on the verbal advice given by the Australian Taxation Office.

This government has brought in administrative measures to ensure that income tax exempt charities and gift deductible entities are treated fairly under the new tax system to come into force on 1 July 2000. Under ANTS it is proposed that we introduce an identification system to ensure that tax exempt and gift deductible organisations continue to receive the full value of donations made to them by way of trust distributions by allowing them to claim refunds of imputation credits for tax paid by the trust on distribution. Tables of gift deductible entities may be found in subdivision 30-B of the Income Tax Assessment Act 1997. They basically are classified into 12 categories, such as health, education, research, welfare, environment, the family, sports and recreation, and cultural organisations. I am sure that all members would sup-
port their continuation. This registration process would also reform the current tax administration arrangements for those organisations that deserve our support for all the good work and services they provide in our community. All these organisations will need to apply for an Australian business number, ABN, regardless of their wish to recover GST input tax credits. The Australian Taxation Office will then contact them requesting them to apply for endorsement as a charity or a gift deductible entity, unless of course these organisations are mentioned by name in law which already gives them that status.

This bill proposes a system of ABN reporting tools to enable the Australian Taxation Office to respond to blatant tax evasion. If everyone does not pay their fair share of tax the rest of the community has to pay more, and that is unfair. This new tax system will, by its very nature, ensure that consumers pay a fair share of tax through paying a GST, and it is necessary for businesses to do the same by going beyond the simple approach of only requiring businesses to report what is contained in invoices they receive. Serious non-compliance can emerge at any point in a market chain, and a reporting system based only on invoices received would not assist with compliance activities where no invoices existed and would be less effective where tax evasion practices were being perpetrated by a purchaser. The proposed system of reporting would include (1) reporting of transactions using the ABN provided by purchasers and suppliers; (2) a requirement for a purchaser to verify the ABN of a supplier in certain circumstances; and (3) likewise, in certain circumstances, a need to verify the identity of a supplier. This will reduce the amount of tax evasion by unscrupulous traders.

This bill also deals with the instances of labour hire, and the pay-as-you-go bill requires a withholding payment by an entity to an individual for services that the individual performs for a client of that entity. The minister has informed us that the provision is too broad, particularly as it relates to a barrister performing services for a client of a solicitor, so this bill includes the necessary amendment to ensure it operates as was intended. The amendment will restrict the withholding payment to an entity that provides services directly to clients of that entity, and will exclude cases where such an arrangement is merely incidental to the business of the entity. To help those that may be affected, examples will be provided to show when and where it does or does not apply, including the barrister-solicitor example I previously referred to.

The types of withholding payments are summarised in a table in division 12 of the tax assessment act 1953, and include a payment of a salary to an employee, a payment of remuneration to a company, a return to work payment, a mining payment, compensation payments, pensions, and payments under a labour hire agreement.

This amendment bill also includes provision for the lodgment of income tax returns by business. As many members would know, the pay-as-you-go system replaces the existing tax collection mechanisms, including provisional tax and company instalments and all of those other areas that I have previously mentioned, such as RPS and PPS. We should all welcome this simplification for business and the reduction in red tape and compliance costs. ANTS has not changed the lodgment dates for income tax returns. Given the changes made to the payment dates for companies, which are treated equally under the pay-as-you-go system, there is no longer the need to maintain different dates. This bill includes a proposal to ensure the final date for lodgment of all company income tax returns is no earlier than 1 December following any particular year. This will still be subject to the Australian tax office lodgment program, so the actual dates for lodgment for most companies will continue to be staggered later than 1 December. Anyone who has been involved in small business or on a farm would know that there are often dates that they may use, such as 15 April in the case of primary industry supplies, here in this country. It is very important for them to realise that those dates will not change.

This bill will also require businesses with a turnover of $20 million or more or a payroll of at least $1 million to make all tax payments electronically. This proposal will mean
that the 10,000 largest taxpayers will make all payments to the Australian tax office electronically. And, of course, the good management of this economy in the last 3½ years by the Howard led government will ensure that this number will grow. While some large businesses might criticise this measure, it is unlikely that businesses of this size would be dealing out of a shoe box anyway. Indeed many, if not most, already deal with the Australian tax office electronically and gain the benefits from doing so. For example, those businesses with $1 million payrolls already make up to 52 electronic payments each year, and those with a turnover of $20 million will be making at least one payment electronically each month after 1 July 2000.

Finally, the amendments will deal with the administration of the business activity statement obligations. There will be a uniform format for notification of each tax debt or credit entitlement, and each entity is required to notify the Commissioner of Taxation of all business activity statement obligations. It will require an entity, as defined under the ANTS act, when it either exceeds the GST electronic lodgment threshold or is defined as a ‘larger withholder’ under the pay-as-you-go withholding system to pay all their tax debts electronically. This of course only occurs with the larger type entities, which would probably find that more appropriate anyway and certainly much easier.

In a purely administrative action it also removes the GST and withholding tax refund rules to the extent that they are covered by the new generic refunds in part IIB of the Taxation Administration Act of 1953. It will entitle an entity to interest where a refund is not made within 14 days of the lodgment of a correct business activity statement, which we promised at the last election and are of course now delivering. I particularly like this proposal, because it gives the Australian tax office an incentive and strong direction for complying and puts the same pressure on them as they have been putting on us for years. It is almost getting back at Big Brother, and is satisfying to the poor harassed taxpayer.

In summary, the Taxation Laws Amendment Bill (No. 10) 1999 will be implementing the remaining measures for tax administration. Finally we have a government that has been prepared to make the courageous decisions for tax reform in this country. The Labor Party has wimped on them all and still cannot find the time to come up with any credible policies on anything, let alone tax reform. The Labor Party continues to be irrelevant in this chamber. The Labor Party continues to be negative, and it continues to be obstructive. We are the government that has managed the economy. The Labor Party has been purely negative. We are the government that has reformed the tax system, and we are the government that set up the Ralph review and made the decision to reform business taxation. The Labor Party continues their same old shallow rhetoric and wonders why they are not taken seriously. How can you take seriously a party that has no policies, has no leadership and has no relevance?

Compliance costs will be reduced under our tax reforms. Under the previous Labor government of 13 wasted years a business could be filling out up to 32 reporting forms a year, often several pages in length. Under our reforms a business will fill out one double sided page only four times a year. This bill that we are debating does away with reporting systems—such as the reportable payments system, known as RPS—that are a significant compliance cost to businesses all across Australia. It is a pity that those opposite cannot recognise the truth when they see it. This bill gives more certainty by reducing the available time for Australian tax office reviews from four years to two years. This bill ensures that oral advice for simple affairs is binding on the tax commissioner. This bill also recognises that tax evasion may occur and ensures that the ATO can respond quickly and effectively if tax evasion is occurring. I would be surprised if anyone would oppose that measure, apart from those who are doing the evading. This bill ensures a more transparent endorsement process for charities and other tax exempt and gift deductible bodies.

This parliament should welcome this bill, because it contains the changes necessary to implement a new tax system for the benefit
of all Australians. Not one group of people in Australia will be worse off. Indeed, all will be better off, with the exception of tax evaders, and I am certainly not going to support them. We have had 16 months of hostile Senate committees to prove that no group in Australia will be worse off and, indeed, all will be better off. This bill delivers the administrative measures needed to deliver a new tax system. I commend this bill and give it my full support.

Mr EMERSON (Rankin) (11.00 a.m.)—The Taxation Laws Amendment Bill (No. 10) 1999 is an omnibus taxation bill covering five separate subject areas. They are capital gains tax rollover relief for managed investment schemes and for film licensed investment companies, income tax deductions for gifts, income tax exemption for certain disaster relief payments and integrity measures for mining expenditure concerning income tax and petroleum resource rent tax. The Labor opposition supports this bill and also supports the second reading amendment that was moved by the member for Wills, which I have seconded.

We support the measures in the bill for capital gains tax rollover relief for managed investment schemes. The bill amends the Income Tax (Transitional Provisions) Act 1997 to provide further taxation relief to members of managed investment schemes. In relation to film licensed investment companies, the purpose of the amendments is to allow such a company to make returns of concessional capital as frankable dividends, and that will fix a current design fault where this type of transaction is currently subject to double taxation. There are also a number of technical amendments that will improve the clarity and operation of the law governing film licensed investment companies. Labor supports these measures. Labor supports the measures contained in this legislation for income tax deductions for gifts, for the income tax exemption for certain disaster relief payments and for tax exemption for fishing organisations. Finally, Labor supports the integrity measures for mining expenditure concerning income tax and petroleum resource rent tax.

It was an honour for me in 1984 to be recruited by the then Minister for Resources and Energy, Senator Peter Walsh, to come on board to advise the Labor government on the introduction of the petroleum resource rent tax, which had been the subject of my studies at the Australian National University. I hear members on the other side, including the Treasurer, saying, ‘You oppose a particular piece of tax law, but you’re going to keep it.’ It pays to have a long memory around here. The Labor government of the day introduced this legislation, and it was opposed up and down by the then opposition, who opposed the idea of applying a profits based tax to the petroleum industry. They opposed it in the House of Representatives, they opposed it in the Senate and we came to an arrangement with the Australian Democrats to allow that legislation through.

This government has been in office for four years, and it has not sought to repeal the petroleum resource rent tax—indeed, it is now making some refinements to it. Given that that came into force in 1984 and we are now in the year 2000, that is 16 years. I would argue that 16 years is a very long time for a tax regime to be in place essentially unaltered, and that is the case with the petroleum resource rent tax. One of its great strengths is its stability over time—that investors know where they stand because this regime would not be chopped and changed as the old excise regime was annually by the government of the day. So I do find a great irony in government ministers saying, ‘Labor is opposing particular pieces of tax legislation but intends to keep them.’ I do recall, for example, the current Prime Minister leading the charge in opposing fringe benefits tax and voting against it. We still have a fringe benefits tax. The current Prime Minister led the charge in opposing the capital gains tax and has done nothing about repealing the capital gains tax. He has cut the rate of the capital gains tax, but that is a measure that we did support. So there is a lot of irony in what is being said in this parliament, and it does pay to have a long memory, because it is exactly what this government did in opposition over many years.
Turning to the second reading amendment, it is quite apparent from the evidence that has come out over the last four to six weeks that the Australian Taxation Office has been overloaded and compromised by the government. It has been overloaded by the government’s obsession with introducing the GST, what it considers to be the unfinished business of the old economic agenda. The government has given the tax office the enormous task of having the GST up and running by 1 July. I draw the attention of the House to the government’s promise with its ‘reply in five’ scheme. The government promised a reply within five working days for businesses using that service. Yet, in the month of February, the tax office replied to only a little over half of the inquiries it received. Of those replies, only 63 per cent were provided within five days—a long way short of the government’s promise that the tax office would reply in five days to business inquiries on the GST. Yesterday the stress that is placing on the tax office was revealed in the Australian Financial Review. I quote from a source who spoke to the Financial Review:

We are so far behind with our work and it can only get worse ... They are ripping people off other projects to put them on ABN processing, and the demand from reply-in-five is just ridiculous.

This is from the tax office. The article goes on:

Tax officers said ‘reply-in-five’, a promise by the ATO management to respond to GST queries in five days, had put extreme stress on already stretched staff.

That is what is happening inside the tax office as a result of the government’s obsession with ramming through the GST. Another impact of the government’s obsession with ramming through the GST is that the tax office has been compromised by the government. The tax office has unfortunately joined the government to become a propaganda arm of the government in promoting the GST.

When I was an adviser to the then Prime Minister Bob Hawke, we used to write briefs in the Prime Minister’s office which were obviously of a political nature. We never asked the department to write political briefs. We then asked the department to insert the relevant statistics. They were updates. We used to send them over and they would provide the updates on the statistics, for example, on the number of working days lost due to strikes, high school retention rates and so on. They would put the figures in, but they would not join with the government of the day in peddling rhetoric and political propaganda. In other words, we were quite assiduous in seeking to protect the Public Service from the political process, asking the department to provide only the factual information. All of that independence in the Public Service has now gone. The tax office, no doubt under pressure from the government, are producing documents like the one I have in my hand—entitled ‘The New Tax System: Here’s what you need to know’, which I have downloaded from the web site—which have a whole lot of political statements and propaganda in them in support of the GST. For example, this document from the tax office web site says:

From July next year, Australia will have a modern and fairer tax system.

As my colleague the member for Lowe pointed out, it seems quite strange that the tax office considers it fair to remove the 32 per cent wholesale sales tax from a string of cultured pearls and replace it with a 10 per cent GST on shoes. The tax office considers it fair to remove the 32 per cent wholesale sales tax from diamond rings and replace it with a GST on tampons. The tax office considers it fair to remove the 32 per cent wholesale sales tax from fur coats and apply a 10 per cent GST to electricity bills. The tax office considers it fair to remove the 32 per cent wholesale sales tax from video cameras and then apply a GST to bus fares. The tax office considers it fair to remove the 22 per cent wholesale sales tax from spa baths and replace it with a 10 per cent GST on haircuts. Such are the depths to which the tax office has been compromised by this government.

The same document says that there is no GST on health or education. There is a GST on health and education. For example, the GST applies to school uniforms, school shoes, stockings, socks, books except some textbooks, exercise books, writing pads, pens, pencils, paintbrushes, public transport,
school bags and cases and some excursions. Although the tax office said that there will be no GST on health, here are the health products and services to which a GST will apply: skin creams, tampons, sanitary pads, feeding pads, breast pumps, baby bottles, cleansing equipment, vitamins and minerals, pregnancy kits, sunscreens below 15 plus, spectacle frames, contact lens solutions, quit smoking courses, first aid kits, bandaids, bandages, antiseptics, lozenges and many non-traditional health services and medicines. Yet we have the tax office saying, ‘No, there is no GST on health.’ The tax office then produces tables in this document on which the government has relied. The document says:

The following tables show the extra money you will receive in your pocket from tax cuts, increased social security payments and family assistance from 1 July 2000.

It does not mention the war and there is no mention of the GST, but these tables are precisely the tables upon which people like the Prime Minister of Australia are relying. The Prime Minister said on 15 March this year:

The average family will receive a tax cut of $47 a week after factoring in the goods and services tax. That is just untrue, but he got the $47 a week out of this table from the tax office. As my colleague the member for Lowe has pointed out, the Deputy Prime Minister said on 15 February this year in this place:

A single income couple, with a baby, in Collarenebri on $30,000 a year—a typical new family in that little town—will have an extra $65 a week in their home to spend.

The people of Collarenebri could be forgiven for believing that they are going to be $65 a week better off. They might be, just as long as they do not spend any money for the rest of their lives. That is the extent of the exaggeration of this government, and it is based on information provided in this tax office document. Not to be outdone, the Minister for Employment, Workplace Relations and Small Business said that for a person on $30,000 a year $71 a week is a lot of money. He is claiming that a person on $30,000 a year is going to be $71 a week better off, again based on this tax office table. The tax office might say, ‘It’s just been misinterpreted by these ministers,’ so let us give them the benefit of the doubt in that respect. But we go on in this document. The tax office says:

Prices will not go up by the full 10 per cent...

That is news, because the shadow Treasurer and the Leader of the Opposition have produced in this place a litany of examples where prices are going up by the full 10 per cent, yet this document is available on the tax office web site and the tax office continues, undeterred, to peddle the propaganda that prices will not go up by the full 10 per cent. The document goes on to say:

Besides wholesale sales tax, many other hidden taxes, including financial institutions duty, will be abolished after The New Tax System begins.

Do you know how many, apart from WST and financial institutions duty, are going to be abolished? Two. Two is many in the mind of the tax office.

Mr Cadman—What are they?

Mr Emerson—The first is a stamp duty on shares, and the second is a bed tax which applies to higher priced hotels in New South Wales and the Northern Territory but not in the other states. The people of Queensland, Victoria, Tasmania, Western Australia and South Australia will not find a great deal of relief from the removal of this insidious bed tax, which applies to higher priced hotels in two other states, and yet it is the proud boast of the tax office that many other hidden taxes will be removed. The tax office has been compromised. The document also says:

The New Tax System will be a tremendous benefit for business.

As the member for Lowe has said, businesses in Five Dock hate the GST. They are screaming about it. About 2,500 businesses are going to be required to obtain an Australian business number. Even if we accept the Treasury advice that only 1.6 million businesses will be required to register for the GST, that is more than 20 businesses paying the GST for every one business paying the wholesale sales tax. I cannot imagine why small business would think it was an honour and a privilege to be the unpaid tax collectors of this government.

That simply reinforces the point I am making that the tax office has been compro-
mised; it has been overloaded. My colleague the member for Wills has raised a very important issue in this place, and that is aggressive tax planning in relation to employee share ownership schemes. In light of recent allegations about officers of the tax office abusing these schemes—in fact, being arrested—I took the initiative of recommending to the House of Representatives Standing Committee on Employment, Education and Workplace Relations that we recall the tax office to give evidence at a hearing tomorrow, because at this moment we happen to be looking at employee share ownership schemes. A draft report is under preparation and, in light of these revelations, it is important for us to establish before we start making recommendations precisely what the tax office has done about aggressive tax schemes in relation to employee share ownership.

The submission provided by the tax office to our committee, dated 30 April last year, contained some very disturbing paragraphs. The tax office spoke of ‘aggressive tax planning practices involving employee incentives’ and I quote from the submission:

In reviewing these arrangements the ATO is considering the full range of issues and possible responses to those arrangements. We believe that many of them have gone beyond the policy and operation of the law.

In some instances promoters of these arrangements sought opinions or rulings from the ATO. We provided comfort to some of these arrangements on the basis of our understanding at the time as to the application of the law, and the features of the arrangements. However, when investigations are made into how the arrangements were implemented, the ATO has found that the arrangements were often not in accordance with the legal opinion and memorandum of explanation provided to the ATO. In some circumstances the arrangements appear to be no more than shams.

The tax office described the commissioner’s strategy in relation to the aggressive tax planning as including ‘the progressive withdrawal of previous opinions in this area’ and ‘centralised control on the issuing of [private binding] rulings and opinions’. What happened is that a media release on 26 March 1999 announced an embargo on the issuing of private binding rulings, and then another media release on 19 May 1999 announced the embargo had been ended as the Taxation Office had completed its review and published its position. In response to a question to the tax office from a member of our committee, a representative of the tax office said:

To ensure consistency of treatment and correctness of the advice given to taxpayers, the ATO has put in place a centralised quality assurance process for processing these rulings.

That is amazing news because now we find that someone in the tax office has been arrested and that private binding rules may well be a matter that is under investigation.

It made sense to me and, I am glad to say, not only to my Labor colleagues on the House of Representatives committee but also to the government colleagues that we recall the tax office to explain the situation and to explain whether or not it has got on top of these aggressive tax schemes since the date of submission of this document and since it appeared last before the committee. So we invited the tax office to come back. I have to report, very disappointingly, that I have just had advice that the tax office will not be appearing tomorrow. The basis of the response is that Commissioner Carmody and senior officers of the tax office are busy and unavailable.

We are left in the situation where there are serious allegations in relation to the issuing of private binding rulings on employee share ownership schemes, where we are trying to prepare a report and finalise it and the tax office says that it will come back at a later time. We need to get this report completed. But I find it disappointing in the extreme that the tax office has such other priorities that they cannot appear before the committee, as requested by the full committee, tomorrow. They are overworked. I understand that. They are compromised, too, by this government, and I understand that. They say at the conclusion of their submission:

At this point in time the ATO considers that aggressive tax planning in EBAs can be regulated under existing laws, including the antiavoidance provisions.

Basically they are saying that they have it under control. The evidence is that they do not have it under control and that aggressive tax planning still continues in relation to em-
ployee share ownership schemes. We need a full and frank discussion with the Australian Taxation Office and to not have them say they are unavailable on such an important matter as this. I can understand, to an extent, why they may be unavailable—because they are trying to get business numbers registered and they are trying to get the 'replyin5' scheme fixed—but they should forget about the propaganda and get on with the job and combat tax avoidance. *(Time expired)*

**Mr CADMAN (Mitchell)** (11.20 a.m.)—Australia is moving ahead, despite some of the attitudes of members of the Australian Labor Party that look to the past and nitpick and want to go through fine details of things that may or may not have occurred. It is no wonder that those professional people, policy writers, backroom boys and professional pseudo politicians that comprise most of the Australian Labor Party want to deal with those issues and are not prepared to act from a point of vision. The second reading amendment moved by the opposition to the Taxation Laws Amendment Bill (No. 10) 1999 that we are debating today says that, whilst not denying this bill a second reading, certain things should happen. That is just a technique to broaden the debate and to allow members of the opposition to talk about anything under the sun. They can nominate their topic and go for it. It broadens the debate on a tax issue so that they can bring in a plethora of interesting topics that are full of detail, minutae, but are irrelevant and in the past.

What it displays is that there is no vision and no commitment for the future from the Labor Party. There is not a single idea or proposal coming from the members of the opposition about what should happen to Australia in the future. Where should we be going? What should we be encouraging? What should we be changing? They are looking at the details of the past and being critical. That is an absolutely destructive process from their own position. For an opposition to succeed, it needs to have a vision, it needs to have a sense of direction and it needs to have a purpose in life. The opposition’s lack of purpose is clearly demonstrated as each member rises to their feet and deals with the details of the past that are not really relevant to the future of the administration of taxation and the opportunities for people in Australia today.

This legislation deals with a broad range of tax issues and is not just confined to the goods and services tax. The opposition is not going to oppose any of those, and at the end of the day it will accept the goods and services tax too and move ahead. I would be surprised if it rolled any of it back because the new tax system is well thought through, cohesive and tight. All areas of this massive change have been well covered, well documented, well researched and well communicated by this government. There is no doubt that this is one of the most massive changes any government has ever attempted. The fiddling with compulsory superannuation and the fiddling with capital gains tax which the Hawke government undertook is nothing compared with the changes that we are seeing in the nation today.

Whilst these changes are, in part, painful, because they mean that people have to stop thinking in a certain way and commence a thought process that takes them into a new administration and outlook for their businesses, they will, if seized upon properly, provide new opportunities, new incentives and new goals. The bottom line is that people will be more lightly taxed. Those in Australia today who will be more heavily taxed will be those who come here on holidays from overseas and those who previously did not pay tax, whether they were in the cash economy or undertook a minimisation process of another type. On the whole, people, particularly the pay-as-you-earn taxpayer, will be more lightly taxed. I think that is very desirable. The government has a balanced budget and does not need to collect more money. Therefore, this is a reallocation of the way in which taxes are collected. Those people who are big spenders will pay more tax and those who are big savers will pay less tax. It is a very simple approach. The coalition has lived with these concepts for a long time. The Australian Labor Party has not lived with any new concepts in the tax area for many years—13 years that I can remember and probably
There is no imagination and no wish to provide incentives or changes.

Taxation Laws Amendment Bill (No. 10) 1999 contains a number of elements which I would like to draw to the attention of the House. One provision relates to tax deductions for gifts. A similar provision provides tax exempt status. These are the two great driving incentives to provide freedom for charitable or not-for-profit organisations. This bill mentions two or three organisations that will now have tax exempt status. The Linton Trust, established to provide assistance after the bushfires in Victoria, and the National Nurses Memorial Trust, a trust to raise money for the construction of the Australian Service Nurses Memorial on Anzac Parade in Canberra, both worthy trusts, will be allowed income tax deductions for gifts.

That is a mechanism that many organisations seek to have to boost the impact of fundraising in the community and to make sure that those funds which are given by government and other sources are not diminished by having to pay tax on either the donation or their moneys because they are not exempt from income tax. For example, organisations like a local branch of the Australian Red Cross which raises small amounts by cake stalls, catering and many other charitable activities which amount to many thousands of dollars over the year have exempt status. They are not taxed. Even though they make a lot of money, if they are a business, one would say, and make a profit, they do not have to confront the income tax law. That is very proper.

I would like to see an extension of this process so that we see a rising and improving attitude towards philanthropy in Australia and so that large corporations and businesses are encouraged and given incentives from the government to take under their wings organisations that need aid and help. I can think of many organisations in my electorate, such as the St Gabriel’s School for Hearing Impaired Children, which would benefit. They fall through the crack as far as government funding is concerned. This is an early intervention program for kids with hearing impairment. Philanthropic assistance would be an ideal way for an area which seems impossible for state or federal governments to deal with—I am not blaming anybody, all sides, all political parties—to improve. If there were a different attitude to philanthropy in Australia things would improve.

I noted with interest the Prime Minister’s roundtable discussions which commenced in March 1999 when the government launched the business and community partnerships initiative. That initiative was designed to lift the profile of philanthropy in Australia. The major task of the roundtable was to advise the government on how to encourage higher levels of contributions by business to community activities. Five working groups were set up. I am watching the outcome of these working groups. At the moment, the only mechanism we have to encourage philanthropy is this tax exempt status that we are giving to two organisations through income tax deduction for gifts, which I have mentioned. There is no other mechanism that I know of that we have to encourage people to look after others.

The working parties of the Prime Minister’s roundtable are looking at: how the best practices of relationships between business and community organisations can be established and facilitated; what are the tax disincentives for better philanthropy and better giving; how we can recognise and reward excellence in partnerships and whether there should be additional factors in the reward of this process; what about providing education to people in business, in particular about the value of partnerships; what about also providing more information to the community about philanthropy; and, finally, information gathering and dissemination on the value and extent of free giving in Australia.

I had an interesting meeting through the week with a group of organisations whose sole purpose is fundraising. They said to me, ‘Our business is fundraising. Why is the government getting into fundraising?’ I have to say that the government want to encourage better attitudes in big businesses. We want to see the local firms supporting local organisations. It is all right for the footy club to get a meat tray and it is all right for the prizes at the local chocolate wheel to be donated, but I am talking now about a substantial contribution being made to the wellbeing of Australia.
by corporations. There is no detriment to those corporations; instead they are seen as worthy corporate citizens and admired and upheld by this parliament and the nation for the work that they do—whether it be assisting with medical research, programs for the blind, such as seeing eye dogs, or other programs. We need philanthropy instead of government funds, with the government contribution being encouragement by tax concession and other acknowledgments to allow that to happen.

This income tax deduction for gifts is all very well, but it is a one by one process and organisations struggle to achieve that status of having income tax deductibility for gifts. Organisations usually registered under state charitable laws as being charitable or not for profit have an exemption from income tax, but this is an area where at the moment a registration process is going on of all of the tax exempt organisations. The tax office is reregistering them to make sure it has a complete and correct list of eligible organisations. But, in addition to what we have already done, it seems to me this nation needs to move ahead in this area—to move ahead and have a better approach, a good corporate citizenship.

I would like to mention just one individual before I move on to other measures in the bill, and that is a guy in Melbourne called Dave Southwick who at the age of 28 had a company worth $8 million. Dave Southwick has built that company up mainly in cosmetics—it was a cosmetic wholesaler and manufacturer—because his customers knew the value of what they were buying. How did they assess the value? They knew that Dave Southwick gave 10 per cent off the top of every dollar he collected to research for whales or to homeless kids. That is the attitude that built a real following for that organisation amongst teenage girls, because they said, ‘If Dave is backing things that we feel strongly about and things that are good for the community, we’ll back his products and we’ll buy them because they’re good quality products.’ What is the difference between them and other products? There is no difference in price and no difference in quality. They are natural products made out of natural ingredients. The only difference is the integrity of Dave Southwick, and they knew that Dave’s company, the Body Collection, backed that research and backed those worthy organisations—backed the kids on the street and backed research into the environment.

I believe that there are dollars in this process. I believe that, with encouragement, large corporations can adopt a completely different outlook, but it does need government promotion and government support to some degree. I am pleased that the Prime Minister’s roundtable is now assessing the processes which can facilitate and provide incentives for a greater philanthropic effort in Australia. I know that the minister at the table, the Minister for Education, Training and Youth Affairs, would greatly appreciate greater philanthropy in some of our educational institutions from some of the large companies in Australia. We have not got a record as a nation for being large philanthropists. Some of our cousins in the United States and Europe do much better at encouraging a better corporate citizenship by having companies invest in research, in students, in programs, in ideas, in development of ideas at tertiary and secondary institutions and in the charitable organisations.

Within this legislation, there are provisions to restructure management investment schemes. It is pretty dry legislation at first appearance, but what this bill does is correct an oversight, which was let through by this House, by the Senate and by all the processes we have got, by providing further taxation relief for eligible members of a scheme that undertake more than one change to their structure during the time allowed for restructuring under the changes to the management investment act. So some funds needed to change more than once. We had restricted that process. Here is a piece of legislation that fixes that up. It has to be done by law and processed through the parliament—through the House of Representatives and the Senate. Why do we need to do that? We need to check to make sure that nobody is being especially favoured and that it rests on all investors equally.
There is another change in this legislation, because this is a piece of legislation that gathers up a number of small measures and puts them into one bill. The next change involves film licensed investment companies; they have an acronym of FLICs, which I think is rather nice and whoever put that together needs commending for it. This change involves concessional capital invested in FLICs, and this is a way of attracting funds from investors into the Australian film industry. We have a fine record as a nation for our film industry, but it does not come without government support, and I wish that were acknowledged more frequently. The concessional capital that is invested in FLICs is immediately deductible in the hands of the investing shareholders, and any expenditure sourced from that concessional capital is not deductible except for reasonable administrative expenses. So there is a concession straight away; concessional capital that is immediately deductible from shareholders who make an investment in the film industry. I think that is a really worthwhile decision, but it does cost. The mums and dads of Australia ought to know that, from a working person’s point of view, that is about $4 a year we are paying to support that section of the film industry over the next couple of years.

I have dealt with income tax deductions for gifts and the Cyclones Elaine and Vance Trust Account, which are part of this legislation and just extensions to the gift making process. As I have said, I believe that we can do much better, and we should be pushing the boundaries of that area much harder and much faster. The good will is in industry. The necessary patriotism and commitment, I believe, can be found amongst the companies in Australia. It is a case of just turning the tap and finding the processes that will have them taking a greater interest in the world around them.

There are changes to mining and quarrying provisions, such as the provision for balancing adjustments that are necessary to restore the tax treatment on the disposal of mine property to that which applied prior to the full court’s decision in the case of Esso Australia Resources Ltd v. the Federal Commissioner of Taxation—the Federal Court and Esso. That is a change that could result in an additional cost of $300 million, but it is a consistent approach that needs to be applied as tax law needs to be predictable. A transfer of interests in petroleum products is the final measure in the bill.

I want to conclude by saying that I believe the main measures in this bill are deductibility for gifts and income tax freedom for organisations. It is time that we moved ahead in this area. I want to encourage the government and the roundtable most strongly to press on with their work, to produce results from those five working groups and to encourage and educate the Australian community about what they can do—what we can all do—but also to advise government of the mechanisms that will unlock the resources. (Time expired)

Mr RUDD (Griffith) (11.40 a.m.)—I rise in this debate on Taxation Laws Amendment Bill (No. 10) 1999. This is, of course, an omnibus taxation bill covering five separate subject areas, including capital gains tax rollover relief for managed investment schemes, film licensed investment companies, income tax deductions for gifts, income tax exemption for certain disaster relief payments and integrity measures for mining expenditure concerning income tax and petroleum resource rent tax, PRRT.

If we look simply to begin with at the capital gains tax rollover relief and managed investment schemes, the bill amends the Income Tax (Transitional Provisions) Act 1997 to provide further taxation relief to members of managed investment schemes, film licensed investment companies, income tax deductions for gifts, income tax exemption for certain disaster relief payments and integrity measures for mining expenditure concerning income tax and petroleum resource rent tax, PRRT.

But the bungling of this particular measure underlines a much broader problem with both the policy and the administration of taxation
in this country at present. What do we have running at this moment across Australia? We have the introduction of John Howard’s never ever tax, the GST, the $32 billion GST that he said he would never ever introduce, which will be introduced as of 1 July this year. We have the introduction of significant changes to PAYG. We have the introduction of the highly complex package of business tax reforms, of which the capital gains tax changes are but just one small component part. We have the promised introduction of a raft of integrity measures to plug any revenue gap arising from the Ralph set of business tax reforms. We have massive changes to the architecture of Commonwealth-state financial relations, with the abolition of the financial assistance grants on the one hand, and the hypothecation of GST delivered revenues to the states on the other. We have the management implosion within the Australian Taxation Office itself, and the haemorrhaging of staff from the ATO to the private sector. We also have the ongoing tensions and, I think, disputes between the Treasurer’s office and ATO management on the tardiness of the delivery of sufficiently detailed policy advice to the ATO on which it could base sufficiently coherent determinations and rulings to the tens and hundreds of thousands of Australian businesses who are relying upon the Taxation Office to provide timely and accurate advice on the detailed implications of the tax changes that will occur right across this nation from 1 July this year.

We also have seen the consequential implosion of the GST hotline service run by the ATO itself—the sheer inability of that hotline service to deliver effective information to business when it seeks it. This is simply because the quantity of requests vastly exceeds the number of officers dedicated to the delivery of that service. Furthermore, it underlines the paucity of advice, often at a policy level, delivered by the government to the ATO in order to translate that into sufficiently real administrative detail for your average small businesses on the ground in the streets and suburbs of the cities of Australia and in the towns and the countryside as well. But on top of all this—this entire raft of significant policy and administrative change—we now have the Petroulias matter. Also, as a consequence of that, we have the future of the private binding rulings regime thrown into total jeopardy.

So, if you were sitting down over in the Australian Taxation Office at the moment, having your morning cup of tea, and you rolled over and had a look at the in-tray to see what is piling up there, it would be a pretty depressing experience because you have the GST mess file, you have the incoming PAYG files, you have the RBT files there with a big CGT complicated sting in the tail, you have what I would describe as the missing integrity files—because they have not been delivered yet because the government has not yet determined its policy on these matters—you have the thinning personnel file, and in fact the personnel section has probably disappeared in the ATO because the staff have been poached by the private sector as well, and now you have the private binding rulings fiasco and all the associated internal complications that arise from that particular unexploded time bomb.

We have in this place on a daily basis the Prime Minister and the Treasurer telling the nation, through the parliament, that what we have here is massive tax reform. However, the rest of the country is saying that we now have massive tax chaos. We have Botswana Pete, parading as the Treasurer of the Commonwealth, telling us on a daily basis that we have had the greatest introduction of taxation reform in this country since the introduction of the spinning jenny. Yet the professional tax policy and analytical community are telling us that the actual implementation of this regime, the actual implementation of this set of tax changes, is nothing more than an administrative dog’s breakfast. In fact, the Deputy Leader of the Opposition, Mr Crean, repeatedly refers to this set of measures, this set of tax changes, brought in by the government as a dog’s breakfast of a tax. But, when you actually look beyond the GST to the raft of other changes that are occurring at this stage, not to mention the management implosion within the ATO itself, we have a dog’s breakfast within a dog’s breakfast. We have a dog’s breakfast cubed.

We have had the policy debate about the merits of the policy tax changes that this
government has introduced. But what the opposition is signalling in the parliament today is quite over and above the policy changes that this government has brought in through the GST, through the RBT and through a range of other tax changes that have been brought in. Quite apart from the debate about the policy merits of these proposals, what we now face, and what we are signalling in this parliament today, is a crisis in the administration of the tax arrangements of this country. We have now an emerging crisis of tax administration. Leave to one side for the moment the debate about the merits and demerits of the GST, leave to one side the upsides and the downsides of PAYG and aspects of the CGT regime, leave to one side the debate about whether the government is in fact honest about bringing in the integrity measures that it has promised the nation over such a long period of time, and focus on this: we have an Australian Taxation Office which is structurally incapable of giving effect to these changes in an administratively meaningful manner to the business community and the broader community of the nation. It is simply too much too soon for an administration that is finding it impossible to cope.

This crisis to which I have just referred will only be exacerbated by the Petroulias matter, to which I have already referred. Any unit of public administration in the Commonwealth has a finite capacity to deliver and handle multiple change at any given time. When you look at the changes that have been inflicted upon the Australian Taxation Office, you see in fact an office struggling to cope with the quantity of detail that it has been handed. When you go beyond that to the particular complications arising from the Petroulias matter, it simply becomes unsustainable. The Petroulias matter itself is before the courts and, therefore, cannot be the subject of comment, but the Australian Taxation Office’s statement on the future of the private bindings regime is a legitimate and critical issue of public policy debate in the country.

The single significance of the ATO’s statement that ‘an unlawful ruling is not binding on the ATO’ is the most profound statement from the ATO on taxation policy and administration to the Australian business community for many years. It is profound in the sense of what has happened to certainty. The introduction of this private bindings regime was brought about in the first place because the business community across the nation demanded certainty from new and emerging complex taxation arrangements. That is why this system was brought in, but we are now told ‘an unlawful ruling is no longer binding on the ATO’. When will ‘unlawfulness’ be determined? How will this be determined? How many rulings are out there at the moment, and how many of those rulings out there in the Australian business community are potentially affected? What is the revenue significance, both to the companies affected and to the Australian Taxation Office itself, of those rulings that have been made?

More serious than any of these things, however, is the recent statement in the Senate by Senator Kemp when asked a question about the significance of the Petroulias matter and its impact on private binding rulings by the Australian Taxation Office. Senator Kemp said that the current uncertainty in relation to private binding rulings includes GST rulings. Well, whacko, we have this whole chaos out there at the moment associated with the GST, we have the whole problem in terms of the sheer ability of the ATO hotline to give basic information to Australian small business about how the GST is going to affect their individual businesses, and now we have a statement from Senator Kemp in the Senate, representing the Treasurer in that place, saying that GST private rulings are also affected. You have complexity within complexity within complexity. You have a dog’s breakfast within a dog’s breakfast.

The Treasurer’s rather cute response in this place when asked a question on this matter by the Deputy Leader of the Opposition, Simon Crean, was simply to say, with a grand wave of the hand, ‘This matter is, of course, sub judice.’ This is the crudest, shall I say, lowest trick employed by any politician anywhere seeking to duck and weave their administrative responsibilities. The bottom line is that, whatever matters directly pertain to the court case itself, they are quite separate.
from the future of a private bindings regime administered by the Australian Taxation Office, which has profound implications for the operation of business and the confidence of business in the certainty of the advice that they receive from the Australian Taxation Office. We have a crisis of public administration emerging in the ATO as a consequence of this matter and confirmed by Senator Kemp in his response to a question in the Senate.

So what we have had over some time now in this place is a Treasurer and a Prime Minister who stand at the dispatch box and proclaim to the nation at large, ‘We have taxation revolution in our time.’ What they never proclaim and what they never admit to is the ongoing administrative chaos that the policy change that they have brought about has now caused. You have a complete administrative dysfunction occurring through the Taxation Office at the moment. You have, therefore, a Treasurer who, on matters of administration for which he is the minister responsible, is asleep at the wheel—happy to take the high ground, happy to take the high road, when it comes to bold public announcements on taxation policy change—but when it comes to the detail of how this is being administered effectively or otherwise through the ATO and how the private bindings regime will now be affected as a consequence of the Petroulias matter, ducks for cover. We have a Treasurer who ducks and weaves and hides because he knows that on this matter the government and he himself and his portfolio are hugely exposed.

This problem of public administration is allied to the ATO’s sister organisation in the implementation of the GST, and I refer here to the ACCC. The ACCC’s mandate, given to it by the government for the implementation of the GST, is: ‘People of Australia, don’t worry. The ACCC, Felsie’s competition coppers, are going to be out there policing price exploitation on every street corner. Don’t worry. It’ll all be looked after. We have an ACCC which is powered up, geared up and resourced up to do all of these things.’ If you have spent any time reading through the ACCC guidelines in terms of how it intends to enforce its price exploitation mandate, guidelines which were released only last month, they give rise to more questions than they do settle any anxieties on the part of the community at large. There are three huge problems that emerge from the ACCC’s arrangements. The first, which has been canvassed by other members in this place, is the mere minor bagatelle of constitutionality—just a minor point where it might get knocked over in the courts before Christmas.

Let us leave the constitutionality question to one side; let us assume that constitutionally it manages to struggle through the provisions that act against it and the recent findings in relation to re Wakim and the prospective finding in our judgments. Go to the key question of methodology—that is, how is the ACCC going to go about its business of identifying price exploitation? How is the ACCC going to take methodologically a given set of price changes by a particular firm in a particular industry with a whole series of disparate business inputs and say, ‘That set of disparate business input costs comes exclusively from the GST and associated taxation changes. This set over here, clinically separated from everything we have talked about so far, is related to non-GST matters’? The bottom line is that it is impossible to separate out. Practitioners in the field say that. The conclusion we are left with is that the government in talking about this is talking purely about window-dressing when it comes to effective price surveillance and price monitoring, not about any substantive measure that will be able to clinically separate out GST and non-GST related matters in any given price movement.

This brings us to a matter most recently raised in this place, again by the opposition, in terms of the impact of the GST on freight charges. I think it is quite important that the House pay attention to the recent correspondence from Doug McMillan, the President of the National Association of Road Freight Operators, NatRoad, to the Deputy Prime Minister, John Anderson. I will quote from this correspondence at some length. It is dated 23 March. It is quite recent. Mr McMillan says:

Many trucking businesses, right at this moment, are able to do nothing more than meet day to day
operating costs if they are lucky, with many people in the industry now unable to draw a decent living from their businesses. The situation is being totally compounded—

these are Mr McMillan’s words, not mine—by expectations, many of them tenuous, being generated by the Government and agencies such as the ACCC, that a new tax system will generate significant freight rate decreases post July 2000. This is taking place in an environment where rates are already totally inadequate to sustain investment in the industry.

NatRoad members have in the last 12 months experienced unprecedented cost increases. The price of fuel has risen by up to 25 percent in that period totally negating the impact of the Government’s proposed diesel grants scheme. On average, fuel constitutes 25 percent of operator costs so this element alone has been responsible for some 6 percent increase in overall costs.

In addition to this impact, substantial increases have been experienced in insurance and workcover premiums, in wages as well as in other important cost components notably new equipment and some spare parts which have increased in price by well over 10 per cent.

The effect of these difficult operating conditions has been made all the worse by expectations in some quarters that, if realised, will send many already hard-pressed operators to the wall, in a situation already complicated by difficulties and costs associated with adjusting to a totally new taxation regime. Customers are not only using the spectre of the ACCC to force operators to lower their freight rates come July 1, but are also using it to stone-wall about freight rate increases which are desperately needed now.

That is a letter from Doug McMillan, the President of the National Association of Road Freight Operators, NatRoad, to the Deputy Prime Minister, Mr Anderson, underlining the point I made earlier about how can you separate out GST and non-GST related factors in the ultimate calculation of price of a given good or service provided and therefore the evidentiary basis on which the ACCC can then march in and say, ‘This is price exploitation and that is not.’ It is a methodological nightmare. How did the government respond to these legitimate concerns raised by Mr McMillan in his correspondence with the Deputy Prime Minister, Mr Anderson? Mr Crean, the Deputy Leader of the Opposition, asked Mr Anderson that very question in this parliament only last week. The response he got from Mr Anderson was along these lines:

The proposition that the reduction in fuel costs of around 23c a litre that we will be putting in place from 1 July and the proposition that the abolition of the wholesale sales tax on trucks, parts and tyres and all the equipment that goes with that will not deliver substantial benefits is absolutely absurd. It is just a total absurdity.

He went on to say that the other claims by implication made by Mr McMillan were ‘absolutely extraordinary’. In other words, the government’s response to a legitimate concern raised by the president of a national industry association about the impact of a raft of other tax changes and other price changes in the business that they deal in is simply dismissed by the government out of hand as being a mere bagatelle: ‘Don’t worry about it. It will all be sorted out in the wash in the morning.’

It is not just in relation to road freight that we have seen this dissonance between policy rhetoric and administrative reality. We have also recently had the debate about something as basic as a glass of beer. We all, or most of us, like a glass of beer on a hot day—

Mr Albanese—Hear, hear!

Mr Rudd—And, as the member for Grayndler says, some of us like a glass of beer on a cold day. I am told that he prefers a couple of glasses of beer on a cold day. But the bottom line is that in this debate we have the government, on the one hand, saying that beer prices are not going to be affected but, on the other hand, one of the government’s own ranks in Western Australia, Eoin Cameron, blowing the whistle on this in his talk-back radio program of 8 March and saying this will not be the case. What we have in this debate is this huge gap between government policy rhetoric on the one hand and administrative reality on the other. This Treasurer has been asleep at the wheel.

Debate (on motion by Dr Kemp) adjourned.
Debate resumed from 9 March, on motion by Mr Anthony:

That the bill be now read a second time.

Mr ALBANESE (Grayndler) (12.01 p.m.)—When the coalition won government in 1996 they went to a lot of trouble to change the names of departments, to put their special stamp on the new administration. They wanted to assert their vision through the deliberate and Orwellian naming of the different executive branches of government. Many taxpayer dollars were spent on these name changes, new logos, new letterheads and so forth. It was decided that the department that was to minister to the needy in our community—the poor, the sick and the elderly, to young families and to the unemployed—would be known as the Department of Family and Community Services; an apt name, you would think. But in the fine principles of Orwellian doublespeak, this government and the Minister for Family and Community Services have done more to undermine Australian families and the cohesive nature of the Australian community than any government in living memory.

In the name of ‘family’ and ‘community’ this government have cut a record $5.208 billion from social services in this nation. While talking and talking about family and community this government have presided over millions of dollars in cuts to child care, millions of dollars in cuts to aged care, and millions of dollars in cuts to public hospital funding. This government, in the name of community, abolished the CES and cut over 60,000 public sector jobs. Gone are the ALP’s labour market programs and education and training programs. The entire CES was dismantled and replaced by a system which, in the words of the government’s own interim welfare reform report is ‘fragmented, disjointed and focused on uncoordinated program outcomes.’ That is not the ALP’s view; this is the view of the welfare reform review—

Dr Kemp interjecting—

Mr ALBANESE—which you established and which you established under a chair who is speaking at the Liberal Party conference next week in order to emphasise just how independent he is from the political process. I suggest that the government listen to their own review and acknowledge that that is the case. Medicare offices across the country have been closed. Regional tax offices have been closed. Banks in rural and regional areas have been closed and are continuing to close, without action by this government. Families and communities across Australia are in crisis, hit by the savage nature of the government’s notions of fiscal responsibility.

On top of all of this—just to emphasise the mean-spirited nature of this government—they have introduced the goods and services tax, a consumption tax that many in the government, including the Treasurer, admit will have an inflationary impact of at least five per cent. On top of that impact, we have seen three interest rate increases so far this year—interest rate increases due to three factors: G-S-T. This tax ensures that those Australians who spend most of their income will be taxed the most. It is a tax that will hit those on fixed incomes like a sledgehammer, a tax that is as outdated internationally as it is unfair domestically. Most of all, the GST is a tax that will hit those on fixed incomes like a sledgehammer, a tax that is as outdated internationally as it is unfair domestically. Most of all, the GST is a tax that will hit those on fixed incomes like a sledgehammer, a tax that is as outdated internationally as it is unfair domestically. Most of all, the GST is a tax for the wealthy, designed by those who see it as their job to defend the wealthy’s interests. This is the Howard government’s legacy for the nation.

This bill today is amending a variety of social security acts—the Social Security Act 1991, the A New Tax System (Bonus for Older Australians) Act 1999, the Social Security (Administration) Act 1999 and the Social Security (Administration and International Agreements) (Consequential Amendments) Act 1999. Most importantly, this bill amends A New Tax System (Bonus for Older Australians) Act 1999 to ensure that the disqualifying period for the self-funded retirees bonus ends on 30 June rather than 1 July, avoiding a one-day overlap with the government’s revised income support provisions.

Of particular interest has been the sudden rush of compensation measures the govern-
ment are hastily pushing though parliament or announcing publicly. Before the election—and indeed since—the government alleged that the GST was going to make everyone better off. They alleged that there was not going to be a need for great compensatory measures and that the mechanisms that had been announced were adequate. After all, the Prime Minister, filled with messianic fervour, keeps telling us that the GST is the panacea for all Australia’s economic and social woes. The government have, however, encountered a slight problem—and that problem is reality. In their haste to reassure a public growing increasingly sceptical, they promised that no Australian family will be worse off under their new tax package.

In a clear indication that the government do not believe their own rhetoric, they announced this week that they would be providing a one-off top-up scheme for families who found themselves worse off; under the GST. Forget the fact that they said that no Australian family would be worse off; this announcement in itself proves that the government got all of their rhetoric wrong. They have introduced this scheme which acknowledges everything that the opposition has been saying. But for families who are going to be worse off as a result of the government’s greed and suffering tax, this scheme is no great comfort. First of all, it has a use-by date of 30 September this year. Families have three months to determine whether or not they are worse off and whether or not they are eligible to apply for a top-up. If they discover on 1 October that they are in fact worse off, then it is no use because the offer will have been withdrawn.

Clearly, the government’s promise of no family being worse off has a very limited shelf life—three months and that’s it; from then on you are on your own. That itself says something about what the government expect the impact of its tax package to be. In putting the three-month time limit on it, they are saying that this tax will show Australian families that they are worse off so quickly and so instantly that they will know immediately upon its introduction on 1 July and they will be able to apply for this top-up. The reason why this top-up has arisen at all is that the government have acceded to the point made by my colleague the shadow minister for family and community services, the member for Lilley, that two-income families could be worse off under the government’s new tax system. The reason for this is that, if one member of a two-income family leaves work to care for their baby, the family does not receive the $67 a fortnight basic parenting payment, as their income from the previous year will be counted in means testing under the previous arrangements. The government’s legislation states that, as soon as a stay at home carer earns more than $10,416 in a financial year, the family loses its family tax benefit part B.

The government have agreed that this is indeed a problem. Their response is to set up this bizarre three-month scheme obviously designed only for couples intending to give birth before September of this year. Pity if you do it after then; pity if you have not planned it well enough to know that this government were going to introduce this scheme, and conceived before December 1999, because you will miss out.

*Fran Bailey interjecting—*

**Mr ALBANESE**—The member opposite acknowledges that these families will miss out. Families who believe themselves to be in this particular circumstance will be able to go to a family assistance office and have their case individually assessed by a social security officer. If it is agreed that, yes, they are worse off, they will be eligible for a one-off top-up payment. My colleague the member for Jagajaga pointed out in question time yesterday that the three-month time frame limits the people eligible for a top up to those carers earning $10,000 in a three month period—in other words, $40,000 a year.

Since it is still mainly women who leave work for a period of time to care for a child, and since only 15 per cent of working women earn over $40,000 a year, it seems that the government have yet again managed to ensure that a so-called compensatory mechanism is available only to a very limited and a comparatively wealthy group of people. Eighty-five per cent of working women will not even qualify for this top-up. The remaining 15 per cent may get it, but they may not,
because they will have to prove—in the words of the minister—that:

... the combined effects of family assistance, income tax changes and other changes to the social security system made as part of the [tax] package result in an overall loss of income for the family...

How exactly the families prove this is anyone’s guess. We asked the Prime Minister yesterday and he certainly could not answer it. Do they keep shopping dockets to show how much they have spent? If they do, of course, the GST component will not be on it, because this government know their GST is so unfair that it has legislated to stop businesses putting the GST component on their receipts. How is that for open and transparent? If they think the GST is so good, they should be proudly putting on all the dockets what the GST component is every time someone buys a good or every time someone purchases a service. But are they supposed to keep their shopping dockets? Are they supposed to keep all their bills? Are they supposed to keep all their invoices? There is all this pile of paperwork to show just how much they have suffered under the impact of the GST. But that is the basis of this government’s so-called top up scheme. This top up will be received by a very few people for a very limited amount of time. It will in all likelihood only compensate a portion of those few women—15 per cent—who earn over $40,000 a year. This top up scheme is yet another example of the government making ad hoc policy on the run; applying bandaids to a GST wound that is growing messier by the day.

This scheme is piecemeal, it is ill thought out and it does not help those most in need. When it comes to compensation, one would have thought that when the government were working out how to compensate those people who will suffer most from the GST—those families—they should compensate those at the lower end of the scale, not that 15 per cent of women who earn over $40,000. But it is not surprising because wherever you look in the government’s tax package the answer is the same: the big beneficiaries are those at the top end of town who support the Liberal Party and the National Party. The big beneficiaries of tax income cuts, the big beneficiaries of capital gains tax changes, the big beneficiaries of the imposition of the goods and services tax, are those people who least need assistance, who least need a helping hand. And that is not all in this bill before the House today, the Family and Community Services Legislation Amendment Bill 2000

The government’s aged persons savings bonus is unique in its sheer ineffectiveness in compensating self-funded retirees for the impact of the greed and suffering tax. The GST will hit self-funded retirees and pensioners with savings extremely hard. The inflationary impact of the GST will permanently reduce the purchasing power of their savings, and it will continue to do so. As each year passes, the retiree’s savings will be worth less and less in real terms. What is the government’s solution? A one-off payment to offset increased prices across the board for years to come; a one-off payment to offset increased costs in housing, in clothing, in food, in furniture, in transport and in entertainment, year after year. One fixed payment of $1,000—or so the government keep saying; the actual sum that some people receive will be much less than this amount.

The bonus works like this. There are two types of payments available. The first is the aged persons bonus, and goes to all pensioners or retirees aged 60 or over on 1 July. The government say this bonus will be up to $1,000 per person. The second type of bonus is up to $2,000 per person, and goes to each person aged 55 or more on 1 July this year who is not in receipt of a pension or Commonwealth allowance. Both payments are only available to those retirees or pensioners that earn income from savings and investments. So, if you were an Australian retiree aged 55 or over on 1 July this year who is not in receipt of a pension or Commonwealth allowance. Both payments are only available to those retirees or pensioners that earn income from savings and investments. So, if you were an Australian retiree aged 55 or over on 1 July this year who is not in receipt of a pension or Commonwealth allowance. 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Both payments are only available to those retirees or pensioners that earn income from savings and investments.
appears to be heading. But once you look at the fine print, this one-off payment of up to $3,000 becomes less lucrative for the majority of Australia’s older people. Firstly, both bonuses are calculated by the government paying the person $1 for each dollar of income from their savings and investments for the year 1999-2000: income from savings and investments, not $1 for each dollar saved. This means that if your savings and investments return an annual income of $250, you will receive a bonus of $250 on 1 July. That is it: $250 to offset the increased costs of the GST.

In order to qualify for the full $1,000 bonus, you would need to have at least $20,000 invested at a five per cent interest rate. You would need to be a 60-year-old retiree or pensioner with $20,000 sitting in the bank earning five per cent interest. We all know that most pensioners do not receive an interest rate of five per cent. How many Australians will end up getting the full bonus? Very few, I suspect. Even the government are admitting only one person in 10 over the age of 60 will get more than a $500 bonus. One person in 10—10 per cent. One-tenth will receive more than $500, and that is the pattern that is now far too familiar. Of course, this one-tenth are the richest. Those who have the most savings will be the people who will benefit by over $500. Let me say this, Madam Deputy Speaker Kelly—and I am sure it is the case in the electorate of Dawson—the majority of older pensioners do not have $20,000 sitting in their bank accounts. That is the reality with pensioners, whether they be in areas like Marrickville, in my own electorate, whether they be in areas such as Mackay or whether they be in other areas of regional Australia.

To add insult to injury, under this bonus scheme people aged between 55 and 60 who receive a disability support pension or a carers allowance and have income from savings will not even be eligible for the bonus. They just miss out. I am glad to see this government have had all the rhetoric. I give credit to members such as the member for Adelaide, who raised in the coalition party room the unfair rhetoric of job snobs, getting the disabled into work and ‘getting these bludgers off welfare’. How damaging the rhetoric of the government has been in its determination to pursue wedge politics in order to provide a cloud and a distraction from the reaction to the implementation of the GST. This measure does not even benefit carers. Their job is to care for the sick and their elderly relatives. They also will miss out on any bonuses.

Any person who retires after 1 July this year will receive nothing, despite the fact that their savings will be just as affected by the GST. That is also consistent with the government’s approach. The government actually believe that when the GST is introduced in July that will be it; that somehow ordinary Australians will wake up and say, ‘Oh, aren’t we glad about this package? Aren’t we glad that it’s there?’ All of its compensation measures have this absolutely fake date of 1 July, ignoring the fact that the GST—on food, on clothing, on transport; on all the essentials of life—will stay, regardless of whether you retire in June this year or July. But if you retire after 1 July you miss out.

This Prime Minister is a late 20th century economic rationalist Robin Hood, in reverse. In 50 years time children will be read bedtime stories about Little Johnny Howard, who stole from the poor to give to the rich. The stories will tell of the brave fight he waged against the elderly, the sick, the disabled and the unemployed. It will speak of the honour he accrued protecting the trust owning upper classes of Toorak and Darling Point. And it will speak of his band of merry men, and women—Big Peter, Maid Jocelyn and Friar John. The problem is this government is not part of a fictional fairytale of evil and intrigue; it is a very real government, whose decisions have very real, devastating, long-term effects on the cohesiveness of the Australian community.

The government, in an act of great delusion, are continuing to calculate all of their compensation measures on the basis that there will be an inflation rate of 1.9 per cent. This is the same government that come into
question time and beat their chests about how the ACCC is going to get stuck into businesses because they are already increasing their prices. We have had yesterday and today the issue of a company increasing its prices by 15 per cent and customers being told it is because of the GST—already. And it is happening in supermarkets all over Australia. All over Australia it is happening. Everyone knows that two things happen to prices: they stay the same and they go up. They are the two things that happen. For all the government’s rhetoric about inflation decreasing and prices going down with regard to petrol, with regard to motor vehicles, the government have backed away from those one after the other.

No-one seriously believes that inflation will be 1.9 per cent. Expert after expert at the inquiry into the GST considered that the inflationary impact of the GST would be between six and seven per cent. Even the Treasurer has said that it could be up to five per cent. Yet the government continue to play this charade where they structure compensation packages at the 1.9 per cent level, knowing full well that this will leave many Australian families—indeed, those who can least afford to pay—out of pocket. On a more realistic estimate of 5.25 per cent inflation the government’s $1,000 aged persons saving bonus will be completely eaten up. Even if the person received the full $1,000, a pensioner with savings of $25,000 will see the spending power of these savings devalued by $1,300 in the first year alone.

This package simply does not compensate for the effects of the GST. None of the government’s packages does. The changes the government have outlined in the area of the pensioner education supplement appear to be technical in nature. However, it is unclear whether that will in some cases result in people who are currently continuing courses to lose access to the payment between the end of one semester and the beginning of another. The current provisions, which are largely consistent with Austudy and youth allowance, allow students access to the supplement prior to the formal commencement of the semester, which enables them to purchase books and other material necessary to their course. We would be concerned if these benefits were eroded by this legislation and reserve the right to amend or oppose these measures in the Senate to ensure that people are not put in a worse position.

This government have proved time and time again that they are not a government for all but a government for their wealthy friends. Their tax package advantages the rich and punishes the poor. Their savage cuts to social services in this country not only are mean spirited but attack the very foundations of the Australian national identity, which stands for a fair go. Australians see themselves as living in a lucky country, in a country of equal opportunity, the land of the fair go. Australians believe in themselves as living in a lucky country, in a country of equal opportunity, the land of the fair go. Australians believe in themselves as living in a lucky country, in a country of equal opportunity, the land of the fair go. Australians believe in themselves as living in a lucky country, in a country of equal opportunity, the land of the fair go. Australians believe in themselves as living in a lucky country, in a country of equal opportunity, the land of the fair go.

I want to reiterate to the House that this is a government that believes that after 1 July the GST will be in and the debate about the GST will go away. What will in fact happen after 1 July is that we will be analysing the inflationary impact of the GST, not just on the community in general but on specific groups. We will be analysing the compensatory measures and exactly how inadequate they are. We will continue to raise with this government just how unfair and unjust this tax package is.

FRAN BAILEY (McEwen) (12.29 p.m.)—What a great disappointment it is that the member for Grayndler could not give credit where it is due. He said in his closing remarks that the mark of a caring government was helping those who were down and out and giving people a fair go. In all of the time he unfortunately used to make very cheap political points, he did not refer to schedule 1 of the Family and Community Services Leg-
islation Amendment Bill 2000. It is particularly schedule 1 of this legislation that I rise to support today, and I do so with a sense of great pride. Members in this place do not often speak on legislation that they have been responsible for achieving.

To give some background to that statement, on 15 October 1998 I attended a small business awards presentation night organised by the Eltham Rotary Club. That evening I happened to sit next to a Rotarian, who asked me what assistance I could provide to a local family who had accepted responsibility for caring for five children who were recently orphaned. The next day I started to make inquiries about the family. They have given me permission to use their name in this debate, and they are Glenda and Murray Waldie of Yarrambat in my electorate. They found themselves taking responsibility for the five boys of one of their family members. The mother of the five boys died in July 1998 and then, just a few weeks later, the father died under tragic circumstances. These five boys, now a 12-year-old, a six-year-old, twins of five and a two-year-old, were not only orphaned in tragic circumstances but also traumatised by the sudden death of their parents, especially the eldest boy, who discovered both of his parents. Because these five boys were, very sadly, born into a family where both parents were addicted to hard drugs, they had never had the social experience of a family unit, they had never been able to mix with other children their own age and they had been frequently neglected, the eldest boy acting on many occasions as both mother and father to his young brothers.

I provide this background so the House can understand that the Waldies were faced with a tragic situation of little boys who were severely traumatised and from a dysfunctional family. Glenda and Murray Waldie had already raised their family. Murray is a small businessman with a transport business, Glenda had a job and they were at the stage of their lives where they were planning to take some time for themselves, perhaps to travel around the country. They had spent years educating their own children and building up their businesses. They were perhaps comfortable for the first time in their lives and free from a lot of the financial burdens that come with raising a family. Suddenly, however, they were faced with the decision of what to do with these five orphaned little boys. A home had to be found for them—just not for the next six months, six years or even 20 years but for a lifetime. How could they have split up these five little boys? They each depended on each other. The twins and the baby had never known any parent other than the eldest boy who, at that stage, was only 10 years old.

Glenda and Murray decided that they could not split up the boys and that they would manage somehow. I visited their home, and I have to admit that I felt overwhelmed by the enormity of the situation. The first problem they faced was one of accommodation. The garage was quickly turned into a play area for the twins and the baby. The lounge was transformed into a bedroom, and that is unfortunately still the case today. The entire Waldie household was turned on its head to accommodate the five boys. Initially, local shops were generous in donating food supplies, nappies and chemist items but, as Glenda said to me at that first meeting, they could not depend on this generosity forever. The Waldies started to calculate the expenses they were incurring just in feeding and clothing the boys. They then started to calculate the level of expense they would face in the future for providing a sound and stable family environment for the boys and for giving them the opportunity to develop as part of a loving and caring family. I will never forget Glenda’s words when she said to me, ‘We’re going to win, and we’re going to have worthwhile people. They’re not going to be split up.’

When I first visited the Waldies, I organised for the state manager of Centrelink, a senior social worker and a financial services manager to attend the meeting. I knew it would be impossible for the Waldies to attend a meeting in the city. That meeting, and subsequent meetings, enabled the Waldies to receive the maximum assistance available, but I have to inform the House that that amount of assistance covered only half the weekly food bill. This loving and concerned family were determined to prevent the five
boys being split up and put in foster care and were, in effect, saving the public purse enormous amounts of money by their decision but were, at the same time, placing their own financial position at risk. I must stress that, in spite of this risk, the Waldies were determined to provide a secure and loving environment for the boys. This meant that Glenda had to stop work for some time and, at best, can now work only on a very limited basis. Although the family have needed the extra money, the boys—because of their traumatised state—have needed extra care and attention. They have been forced to sell assets in order to finance living expenses, medical expenses and accommodation expenses over the past two years and have spent $60,000 of their own funds to support the boys.

Glenda will tell you that every cent spent has been worth it to keep the boys together and to see the look of pride on the older boys’ faces as one after another achieves ‘pupil of the week’ at school. I feel quite sure that each of us in this place would agree that carers of orphaned children should not be disadvantaged as a result of undertaking that care, yet that has been the situation until now. I can tell the House that when I first attempted to investigate what extra assistance might be available, like everyone else involved in this case, I was astounded that the current legislation had no flexibility to cater for such a case and further that the minister had no jurisdiction under the legislation to make an exemption to cater for the exceptional circumstances that the Waldie family faced. In fact, legal opinion confirmed that if the minister were to vary the current levels of assistance available from the Department of Family and Community Services she would in fact be breaking the law.

The only possible way to provide for the Waldies and other families who have taken on the responsibility of caring for orphaned children, usually as a result of parents overdosing after sustained periods of hard drugs usage, and to bring about any change was to amend the legislation. I want to place on the record my thanks to the Minister for Family and Community Services, Senator Newman, for her immediate concern when I advised her of the problem that I had encountered and for her determined commitment to ensure that families like the Waldies were not disadvantaged because they wanted to do the right thing by the children whom they had accepted into their care.

Schedule 1 of this bill amends the double orphan pension provisions of the Social Security Act 1991 to guarantee the rate of family allowance for double orphans at the rate that was applicable at the time the children became double orphans. Importantly, this amendment is retrospective, applying to children who became double orphans on or after 1 July 1998. This means that if a child becomes a double orphan the rate of family allowance that was applicable in respect of the child immediately before the child became orphaned will be guaranteed as a minimum to the person who assumes care of the child and is entitled to family allowance for that child.

In addition, the definition of a double orphan in the Social Security Act 1991 is expanded to include the situation where one parent is dead and the other parent is a long-term remandee. At the moment, the definition applies only where that other person is serving a long-term prison sentence. The current situation can be a disadvantage to carers in situations where there is a lengthy period between arrest and conviction of one parent. It has taken some time to achieve this amendment, but I believe that this government has got it right, and I again thank the minister.

Before concluding my remarks, I would like to pay tribute to the Mirabel Foundation, which has provided grief counselling and support to the families—many of whom are grandparents of young children and some of whom are in their 70s—who have assumed the care and responsibility of children orphaned largely as a result of their parents overdosing on hard drugs. The Mirabel Foundation has played, and continues to play, an important role in the lives of these families. To the Waldie family and others in their situation, I want to say thank you for being prepared to provide a caring environment for children who have become innocent victims. Because of your commitment those children now have a chance to lead normal lives, and
through this legislation your job will be made that much easier. I commend this legislation to the House.

Ms BURKE (Chisholm) (12.42 p.m.)—I also rise today to speak on the Family and Community Services Legislation Amendment Bill 2000, which deals with numerous changes to various acts: the Social Security Act 1991, A New Tax System (Bonus for Older Australians) Act 1999, the Social Security (Administration) Act 1999 and the Social Security (Administration and International Agreements) (Consequential Amendments) Act 1999. I wish to speak to the areas of importance in the bill which are a by-product of the government’s great tax adventure—namely, the government’s inadequate GST compensation for older Australians and the government’s current targeting of individuals on disability pensions.

I always thought governments were here to govern, to provide services to the community and to look after the most vulnerable in the community, but this it seems is no longer the case. This government is here to hoard a massive surplus so it can let certain parts of the community know it is running a great business. I did not seek office to sit on the board of the Federation of Australia. Like the majority of people from every side of the House in this place, I sought office to help right the wrongs and to be the voice of the community that I am privileged to represent. I am not here to return a dividend but to ensure that all in our community, in particular the most vulnerable, have access to the service and the protection they need to live a full life.

This government does not seem capable of realising that people want the government to govern, to provide leadership and to offer a safety net for the less fortunate. You would think the lesson from Victoria would be ringing loud and clear in the Treasurer’s ears: a massive surplus is not everything. Jeff had one in Victoria at the cost of basic services. There were huge waiting lists for hospitals, massive class sizes, emergency services in disarray, no services at all in the bush, gala productions in the city but no transport to get there and disregard for the suburbs. Of course, as we know, Mr Kennett is no longer the distinguished Premier of Victoria. He has gone the way that, hopefully, this government will next time around.

This bill is yet another example of this government’s cost cutting at every turn—a tweak here, a little nip there: ‘Shush, the majority won’t know.’ The populace is looking forward to huge tax cuts or so this government, which is here only representing 15 per cent of our community, desperately wants to believe. What was their original election slogan—governing for all of us? But the tweaking at the edges is not just a little prune; it is a purge which is leaving many in our community worse off.

To examine the government’s form on this, you have only to look at the massive cuts to social security they have ushered in during their term in office. As described by my colleague the member for Lilley in his submission to the government’s welfare review, the Howard government have cut $5 billion from social services programs such as labour market programs, social security payments, cuts to disability allowance—and the list goes on. This has created an enormous social deficit. The government are comfortable talking about budget deficits but refuse to acknowledge the social black hole they created as if it is somehow less important.

This leads me to the concept of redistribution, which this bill purports to do when it provides a GST compensation in the form of bonuses for older Australians. As Catholic Social Services points out in its submission to the welfare review:

The question should not be ‘Can we afford our income support system?’ but rather ‘Can we afford the social dislocation and unrest of a society deeply divided by the haves and the have-nots?’

I absolutely endorse this statement. As most members should know, there are very serious concerns that flow from social dislocation, including crime, drug use, suicide and family breakdown—many of the areas that the member for McEwen was just speaking about. I see the fallout from these things every day, whether it is drug trafficking in Box Hill, rising crime in Clayton and Oakleigh or the agony of child support problems from battling parents everywhere.
If the government will not listen to moral imperatives in ensuring a stronger safety net, they should at least curb their cost cutting ideas to save the long-term costs of rising violence and crimes. The recent claim by Minister Abbott that too many people on benefits are ‘job snobs’ was probably one of the worst examples of blaming the victim. The government do not seem to understand that by verbalising recipients who the government should remember are vulnerable people—like the unemployed, those with disabilities and single parents—they reduce that person’s confidence, thereby reducing the likelihood they will find gainful employment. The list of this government’s atrocities goes on.

In my electorate of Chisholm I have a large population of age pensioners—totalling over 7,000—in the suburbs of Box Hill, Box Hill North, Burwood and Ashwood. These people are going to be massively hurt by the GST. I also have a huge number of self-funded retirees in my electorate and I think this is the group of people who are going to be most severely disadvantaged by this legislation.

Schedule 2 of this bill deals with the bonuses for older Australians—which anyone can be forgiven for getting confused over as it is massively confusing—and, as I will demonstrate, it is more of an insult than a compensation. What compensation has the government promised? As we know, there is a daily change to this. We have a litany day after day and, as we trot out John and Wendy, the government seems to come up with a new compensation measure. Obviously, it is an indication that this tax is actually going to be hurting people and not benefiting them; otherwise why do we need compensation? What compensation has the government offered? In an attempt to compensate for the GST, the government has offered increases in the pension, two lump sum payments for some pensioners and retirees, a relaxation in the pension income test, an increase in pension assets and income thresholds, increases in allowances and rent assistance, and an increase in the tax free threshold and reduced income tax rates.

But it is not all as it appears. Mr Howard and Mr Costello claim that increases in pensions, lump sum bonuses, the relaxation of pension income and asset ‘free areas’ and tax cuts would more than compensate for the GST. Like most things, though, the devil is in the detail. As 1 July fast approaches, retirees and pensioners are starting to realise that the so-called benefits of the GST revolution are a hoax. Many pensioners are rightly sceptical that the promised four per cent pension increase will not be enough to cover the GST price increases. Why? Because the increase will not be four per cent at all, because half the increase is just an advance on the half-yearly pensioner adjustments that are already legislated for each March and September. The effect is that, after the 1 July increase, there will be no further pension increase until half of the four per cent increase is eaten up. So there will be no pension increase this September like there usually is; everyone will have to wait until March or even September 2001. Confused? It goes on.

In reality, pensioners are only getting a two per cent pension increase to pay for the 10 per cent GST. But the second point is that prices will increase more than the government promised. At the last election, the government promised prices would increase on average only slightly, leading to a post-GST inflation rate of just 1.9 per cent. Surprise, surprise! Economists and even the Treasurer have now admitted that the inflation rate will be over five per cent in the first year alone. So how is this two per cent going to compensate for this? It is not, is the simple answer.

Pensioners and retirees are not big buyers of items which currently attract a wholesale sales tax, so they will not benefit to the same extent from their removal. While some things may fall in price—as the Prime Minister has delighted in saying at question time ‘a little here’ and ‘a bit there’—things such as electronic products, wheelbarrows, jewellery and clocks, they are not items that pensioners and self-funded retirees are out there buying. Instead, they will be hit by the many areas where prices will be increasing, and in particular the area of services. As it has been quite adequately demonstrated time and time again in this House, it is all those things that
pensioners and self-funded retirees, who are heavy recipients of services such as getting one's hair cut and having one's lawn mowed, will not be able to do without that are now going to rise by 10 per cent. It seems that these same items make up a big proportion of the weekly budgets of pensioners and retirees—everyday services such as electricity, gas, telephone, insurance, household repairs, public transport and taxis will all increase close to the full 10 per cent. Anyone who has recently received their insurance renewals will know that the GST impost is already there, and it is quite significant.

But what about self-funded retirees? I believe these are the people who will be most disadvantaged by the introduction of this new great tax adventure or tax hoax. They have a limited spending power and no way to move. They will not benefit from increases in pensions nor from tax cuts, but they will have to deal with this huge impost on their spending. Again, like pensioners, all the services that they use will now be taxed. These self-funded retirees are getting a once-off bonus—that is it, just a once-off hit—to compensate for the rest of their lives.

I am one of those terrible people that the Minister for Employment, Workplace Relations and Small Business is always going on about, one of those nasty trade unionists who is in this place representing the Labor Party. One of the advantages of being a nasty trade unionist is that you actually got to meet a hell of a lot of people. I probably came into contact with more people in my working life than the majority of people on the other benches do. I was working for the Finance Sector Union before I came into this place and dealt with significant numbers of bank employees who lost their jobs. Those people are now going to be doubly hit by the GST because of the massive downsizing in that industry—something this government is doing nothing about.

We have a group of people who are going to be living on super. Yes, they all have super because it was one of the things that their trade union ensured they had from time immemorial. They are going to be living on super which probably is not huge. They lost their jobs before they had any intention of losing them, they cannot go on to social security—and now along comes the GST. It might seem like a silly thing but many of those people were managers who were used to a certain lifestyle. I can remember one manager calling me and saying, "Now I know this sounds silly, Anna, but I am not going to be able to afford my MCC membership this year. I know that sounds like a little thing, but to me it is a lot. I am not going to be able to take my son and my grandsons to the footy any more and it hurts." I do not think the people on the government benches realise what they do and how it impacts on people's lives.

The ALP has been trying to explain to people this wonderful one-off bonus for self-funded retirees. We get lots of calls about it. I read from an ALP fact sheet designed to help those people. Under the heading 'What one-off payments are available?' it states:

There are two types of 'one off payments' available.

1. The first is Aged persons' Savings Bonus of up to $1,000 for each person aged 60 years or more on 1 July 2000.
2. The second payment is the Self-funded Retirees supplementary Bonus of up to $2,000 for each person aged 55 or more who does not receive a Commonwealth pension or allowance.

Both 'one-off payments' are only payable to people who receive a private income from savings and investments...

That sounds straightforward, you are going to get this $1,000 or $2,000, but again the devil is in the detail. The fact sheet states:

The one-off payment for both 'bonuses' will be $1 for each $1 of income from savings and investments in the year 1999-2000. For example, if you receive income from investments and dividends of

Mrs Moylan interjecting—

Ms BURKE—The ones I was dealing with were all from the ANZ Bank where 10,000 people lost their jobs—10,000 people who are now out of work and will not be able to get work in this community because of the massive downsizing in that industry—something this government is doing nothing about.
$550, you will get a ‘one-off’ payment of $550 on 1 July 2000.
That does not really sound like the $1,000 that is being touted out there. It continues:
There is a ceiling on the ‘one-off’ payment of $1,000 for each pensioner ...
If you have more savings you do not benefit either. Under the heading ‘How much do I need to have invested to get the full amount’,
the detail, it states:

In order to receive the full bonus fairly substantial investments are required.
To receive the maximum $1,000 Aged Person’s Bonus you would have to have around $20,000 invested at 5% interest.
One good side of the interest rates going up recently is that self-funded retirees may actually be getting to that ceiling. It continues:

To receive the maximum $2000 Self-funded Retiree Supplementary Bonus you would have to have invested about $40,000 returning 5% interest.
The government has admitted that only one in ten over the age of 60 will get an Aged Person Savings Bonus greater than $500. Both ‘one-off’ payments are not payable to those with a private income in excess of $30,000.
The government has been touting that you are going to get this great one-off $1,000 and that is not even the case if you go into the detail. The government has claimed that these bonuses will benefit self-funded retirees under $30,000 and those over $30,000 will get tax cuts. The government’s problem, though, is that the income tax cuts are tilted towards high income earners. Those on $30,000 per year will have an income tax saving of just $16 per week compared with $62 per week for an individual on $65,000 per annum. Again, this is a government which represents only 15 per cent of the population.
The other area I will speak to is the further problems for people with disabilities—the people this government has now singled out for criticism. Whilst I can talk about numerous areas of cuts, I wish to concentrate on a program that has now been axed, the More Intensive and Flexible Services Program. There is a jobs provider in my electorate in Box Hill who last year wrote to me pleading to keep this program. The letter stated:
The recent decision to withdraw funding from the MIFS program raises the issue of access and equity for a significant number of people with a disability wanting to enter/re-enter employment.
Prior to the MIFS program, people with a disability assessed by employment services as not being job ready ie. require that further pre-vocational work, had to be turned away with little chance of gaining any assistance towards their goal of entering employment.
For many of the participants the gains in their personal life and their employment potential has been enormous. Overall participant and community satisfaction has been overwhelmingly positive with few participants failing to complete the program.
The MIFS program filled the void for these people, giving them the opportunity to achieve their hopes and desires. Without the program there will be no hope.
There is a need that must be addressed in the community, especially when one considers the responsibility that a government and society must assume to accompany the advancements brought about through the deinstitutionalisation process.
Here we have a program that was demonstrated to be working and again it has been savaged by this government. As you can see, the social black hole continues to widen, but no-one in this government cares. Whilst we support the bill, this government stands condemned for its handling of the sensitive issues surrounding the introduction of the GST and welfare recipients. Trumpeting cheap ‘blame the victim’ language is no substitute for good policy that provides a buffer and hope to the many Australians who rely upon the government for income support.

Mrs MOYLAN (Pearce) (12.58 p.m.)—It is a long time since I have stood in this place and listened to such unmitigated nonsense such as that that came from the member for Chisholm.

Mr Slipper—She’s a oncer.

Mrs MOYLAN—Absolutely. I want to record in this House what actually did happen when Labor was in government in order to respond to some of the comments that were made in criticising the Family and Community Services Legislation Amendment Bill 2000. It was Labor who presided over the highest unemployment that this country has
seen for a very long time. It presided over the highest level of business failures. It is interesting that the member for Chisholm has vacated the House, because the policies that her party when in government put in place decimated the manufacturing industries of Victoria, the state from which she comes and which she represents. I ask this House: where was the member for Chisholm, where was her voice, when she was employed by the unions in that state, in speaking up for the people that her party in government put out of their jobs because of their financial and other policies? Where was her voice? Where was the unions' voice at that time? It was not to be heard.

They were the ones with the policy of selling the Commonwealth Bank. After telling the Australian people that they had no intention of selling the Commonwealth Bank, they went ahead and sold it. They were the ones that created havoc in the financial services sector with their poorly implemented policy. It was a disaster. No-one disagreed with the principle of the need for reform, but the way in which Labor brought in those reforms when they were in government created untold hurt, untold pain and anguish, to the many thousands of Australians who lost their jobs, who lost their businesses, who walked away from a well-run business after 20 or 30 years, who saw their spouses and their families out on the street, who were locked out of their own factories. I ask this House to consider the tremendous damage that was done by Labor. They talk about social policy—it was all rhetoric when Labor were in government. There was no substance to their social policy, whereas this government has a very good record in delivering the substance of social policy. I am going to get to the crux of that now, because this bill is a very fine piece of legislation that shows how responsive this government is in its social policy and in its ability to do more than just spout rhetoric about social policy and to really deliver the goods. This piece of legislation, as the member for McEwen quite rightly said, came about because she gave a speech in this House about the plight of a family in very difficult circumstances. Our minister was able to draft legislation, which is before this House today, to ensure that other families do not have to go through the trauma that that family experienced.

This is an omnibus bill. It contains amendments, some of which are technical amendments, to four acts. Parts 2 and 3 of schedule 1 involve changes to the rate of the double orphan pension and the rate of the family tax benefit for double orphans. The first measure commenced on 1 July, 1998 and the second measure will commence on 1 July, 2000. People who care for double orphans will certainly welcome this legislation. I am sure the family that the member for McEwen talked about will be very relieved to know that the government listened to their concerns and acted accordingly. The definition of a double orphan now takes into account a situation where one parent is deceased and the other is in custody on remand for a serious offence, the punishment for which is imprisonment for more than 10 years. Changes are also made to the rate of the double orphan pension. When a child becomes a double orphan, the legislation will allow the person assuming responsibility for the care of the child to be paid the same amount of family allowance that applied prior to the child’s becoming an orphan. This will be very welcome to grandparents—and other people—who find themselves with the sole care of and the responsibility for a child or children in these circumstances. To be eligible in the past, both parents of the child had to be deceased, or one parent had to be deceased while the whereabouts of the other was unknown to the claimant, or one parent had to be deceased while the other was a long-term prisoner or a patient of a mental hospital or nursing home. Refugee children may also be eligible under certain circumstances.

The explanatory memorandum outlines the reason for the changes that we are discussing today. Of course, it goes to the case that the member for McEwen was talking about—the case of a child whose mother had died—which was brought to the attention of the Department of Family and Community Services and to the attention of the minister in particular. The father had been charged with murder and was being held in custody. However, the child was not eligible for payment of the double orphan pension, as the
double orphan pension, as the child’s father had not been tried and, therefore, was not a long-term prisoner. Both the date of payment and the rate of payment are amended in this legislation to ensure that, where a child becomes a double orphan, the rate of family allowance that was applicable for the child immediately before the event is guaranteed as a minimum to the person who assumes the care of the child. The bill also repeals and replaces section 1010 of the act to provide for the introduction of an additional component of the double orphan pension. This component is to be calculated as the amount which equals the difference between the prior amount of family allowance and the current rate of family allowance. This applies to personal care, not to care organisations.

Part 2 operates to give the amendment both current and retrospective operation. It will be integrated into the new family tax benefit, which is due to commence on 1 July, 2000 under A New Tax System. The definition of a long-term prisoner is clarified for the purpose of a child qualifying as a double orphan. The present act takes into account circumstances where one parent is deceased and the other is a long-term prisoner. However, a problem arises with the current definition of ‘long-term prisoner’. In the present legislation, ‘long-term prisoner’ is defined as a person who has been convicted of an offence and has been sentenced to imprisonment for life or for a term of at least 10 years. The change expands the definition of a double orphan to include the situation where one parent is dead and the other parent is a long-term remandee. This is a very desirable change, and it certainly looks after the interests of children who find themselves in this situation and of their carers, who take on not only the emotional and physical care of, but also the financial responsibility for, children in these circumstances.

The other significant part of this bill is the amendment relating to bonuses for older Australians. Again, I want to respond to some of the criticisms made by the member for Chisholm. This government has gone to considerable trouble in designing the new tax package to ensure that pensioners will be more than adequately compensated for any expected one-off increases in the cost of living. I also remind the House that it was this government that linked pensions to the average male wage, making sure that, if there are increases in the cost of living, they will be reflected in the pensions. That was one of the things the member for Chisholm failed to point out when she was making these criticisms. She also talked about price rises. She did not tell the House that many prices will decrease because wholesale sales tax will no longer apply. Some of those decreases in the cost of goods will be quite dramatic. Of course others, where the wholesale sales tax is of the lesser amount, will remain much the same, and there will be some increases in some items. There have been a lot of surveys on and discussion about the basket of goods from the supermarket. One of the areas that is a major expenditure for pensioners is their basket of weekly groceries. Most of the surveys have indicated that pensioners and others in the community could expect the cost of fresh food and other items from the supermarket to go down. The government has been very sensitive to the need to make adjustments to ensure that pensioners and others on fixed incomes are not disadvantaged.

The government also responded to a call from self-funded retirees to treat them similarly to pensioners by using a similar threshold for the purpose of paying tax. We have been sensitive to their requirements and to fair policy on self-funded retirees, and there are other measures the government have taken to ensure that self-funded retirees are looked after. This legislation is part of that. This amendment ensures that older Australians are not disadvantaged in qualifying for a savings bonus on 1 July, 2000 under the provisions of A New Tax System. Self-funded retirees may be disqualified from receiving a ‘disqualifying payment’—that is, an income support payment—during the three months prior to, and ending on, 1 July, 2000. As a result of A New Tax System, there will be changes to income support payments that will allow many people who are not currently receiving a payment to qualify for income support payments. As a result of these changes, an older Australian may be qualified to receive an income support payment for the very first
time. Due to the one-day overlap with the last day of the three-month disqualifying period, they could, under the current arrangement, be precluded from receiving the self-funded retirees bonus. This legislation is designed to fix that problem.

Schedule 2 amends the A New Tax System (Bonuses for Older Australians) Act 1999 to ensure that the disqualifying period for the self-funded retirees bonus ends on 30 June 2000 to avoid the overlap with the revised income support provisions. This removes what could have been an unintended consequence of the confluence of these two acts. The A New Tax System (Bonuses for Older Australians) 1999 Act divides older Australians into three categories for the purpose of paying bonuses under the act. The three categories and their treatment are as follows: customers who lodge a tax return will have their bonus paid by the Australian Taxation Office; customers who normally deal with the Department of Veterans’ Affairs will have their bonus paid by that department; and anyone else will have their bonus paid by the Department of Family and Community Services. Bonuses for older Australians are subject to certain age and income qualifications, but this measure provides to individuals a one-off tax-free bonus payment which generally consists of two components: an aged persons savings bonus of up to $1,000; and a self-funded retirees supplementary bonus of up to $2,000. This is to take into account any one-off impact on the savings of pensioners or self-funded retirees within that category. The target groups for this bonus are lower-income groups, and the amount paid tapers off as incomes exceed $20,000, reducing to nothing when the income reaches $30,000. The act provides further compensation so that the value of savings and retirement income can be maintained. This ensures that older people are no worse off as a result of the new tax system. This amendment relating to bonuses for older Australians is important to many people in the community. It clarifies the issue, and many people in the community will be pleased to know that this amendment will proceed.

Ms HALL (Shortland) (1.12 p.m.)—I was interested to hear the previous speaker say that the government listened to the concerns of Australians and then acted. I would like to put to the previous speaker that, if the government had listened to the concerns of Australians, this GST that is about to be forced upon them would not be proceeding. There are a number of changes in the Family and Community Services Legislation Amendment Bill 2000, and a number of them have been generated by anomalies that have been created by the government. The previous speaker’s comments about the benefits for the Australian people of the removal of the wholesale sales tax from some items and the consequent drop in prices do not take into account the simple fact that services have never been taxed. It does not take into account the inflationary impact of the GST and the pressure the GST has placed on interest rates. It does not take into account the government’s problems with the Australian dollar and the impact that the fall in the Australian dollar will have on prices in shops. I believe all of these things are directly linked to the government’s policies. The legislation is generally technical in nature and uncontroversial. But you must treat everything the government do with some scepticism, because we have all seen how they say one thing and then do another. No-one could argue with the changes to schedule 1, as detailed by the two previous speakers on the government side. But other schedules in this bill need to be examined a little more closely, as they raise issues relating to the government’s overall direction and their failure to govern for all Australians.

This government has a sorry record when it comes to providing services to families and making life easier for families. Instead of assisting families to survive in a changing Australia and a changing world environment, this government has waged war on them and is taxing them in all aspects of their lives. This government is poised to deliver its greatest blow yet to Australian families on 1 July, when it introduces the GST. We all know what an unfair tax this is. It is a tax that
discriminates against pensioners and average Australian families, families like those living in the electorate that I represent here in this House.

The GST is a harsh regressive tax that this 1950s-style Prime Minister and his government are set to impose on Australia. It taxes those who can least afford to pay and it will change the way that we pay tax in this country. Previously, if you earned a bit more, you were prepared to contribute a bit more towards providing services and making sure that Australia thrived as a country. But now, under this draconian legislation due to come into force on 1 July, we are going to see a situation where those people who can least afford to pay the tax will be bearing the brunt of it. You have only to look at the way this government has decided to levy a GST on the rental of people living in residential parks to see how unfair this tax is. The pensioners who are living there on fixed incomes—people who will not get any benefit whatsoever from tax cuts—are now going to pay a GST on their rental. Is that fair? Is it fair that those people who can least afford to pay tax will now be paying it, while those people who are earning $100,000 a year are set to reap the benefits of massive tax cuts?

This is not the kind of fair society that I think we in Australia have come to expect; this is not the kind of society where all Australians are treated equally. This change to the system means that the more you earn the less you pay and the less you earn the more you pay. We also point to that part of the legislation which seeks to amend the A New Taxation System (Bonus for Older Australians) Act 1999, particularly the self-funded retirees component. It is really interesting when you actually look at what this savings bonus is all about. Recently I have had a number of meetings with people from the electorate of Shortland—the electorate that I represent here—and they were absolutely devastated when they found out that the majority of them would not receive any money whatsoever because of the secret that it is a savings bonus. If you have money—you can afford to leave $20,000 plus in the bank—you will be eligible for this $1,000 bonus. But if each week you struggle—you scrimp and save just to be able to put food on the table, pay your electricity and rent and get your medications or any other sort of basic necessity of life—you will not get any of that savings bonus because, according to this government, you are not deserving. You are deserving only if you can save.

Concern about this is very great in my electorate. I stepped into my office one Saturday morning and answered a phone call from a pensioner who had just at that moment discovered that he and his wife would not be entitled to any of the savings bonus. They were still going to have to pay the GST on their telephone calls, electricity and gas. They were so concerned. They said, ‘How does John Howard expect us to survive? Why are we being punished like this?’ I do not know the answer to that, but I do know that this government is not about fairness—about caring for those people in our community who need a little extra help. It is also unfair that those people who, through no fault of their own, have some disability, are on sickness benefits or are in receipt of Newstart or other Centrelink benefits will not be receiving this savings bonus.

Once again the government are choosing to legislate against and target those people in our community who are most vulnerable. Recently we saw the result of the government’s welfare reform. One of the things they signalled was an attack on those groups that are most vulnerable in our community. We see they have indicated that those people on disability support pensions are about to feel their wrath. They believe that people who have disabilities should be out there working—it is the government’s role to make sure that these people do not receive the same payment as pensioners—and that they, along with people who are unemployed, should have a mutual obligation.

I ask the government why, if they were genuinely interested in giving people with disabilities the opportunity to enter the work force, they got rid of the disability support panels. Before I was a member of parliament, I served on those disability support panels. There was a representative from the Department of Social Security and the CES and I was there as a representative of the Com-
monwealth Rehabilitation Service. We in-
vited people who were on disability support
pensions to come in and talk to us to see if
we could develop a program that would help
them to get back into the work force. There
were lots of incentives there to help people
achieve their goal, but one of the first things
this government did was to get rid of these
disability support panels.

The changes to the Job Network actually
work as a disincentive for people on a dis-
ability support pension to get back to work.
They create barriers as well. Previously all
areas were working together for the person—
the person was the important factor in the
equation—but with the changes to the Job
Network you now have all the organisations
competing against each other. Their primary
motive is to get a placement and to collect the
money that is attracted by that person who is
on a disability support pension. When I look
at the obligation that government has to peo-
lies who are in receipt of a disability support
pension and to those people who wish to en-
ter the work force, I see that the government
needs to provide a genuine program that will
facilitate these people moving from welfare
to the work force, not a program that is going
to target them and victimise them. One of the
issues that the government tends to forget is
that people who have a disability generally
have costs associated with medication and
other costs associated with their disability.
Part of the benefit for them of being on a
pension is that they can have their medication
at a cheaper price and gain from all those
other side benefits that go along with a dis-
ability support pension.

This government continues to attack those
people who are most vulnerable within our
community. It is a government which acts on
and blames those people who, for some rea-
on or another, need just a little extra assis-
tance. I have heard the government say, ‘If
people work hard they should be able to save
and they should not need any extra assis-
tance.’ I put it to you that the majority of
pensioners—those 80 per cent of pensioners
who will not receive any benefits from this
government’s savings bonus, and those self-
funded retirees that this legislation seeks to
assist—do work hard and some of them do
require extra assistance. I see the members on
the other side of this House as being philo-
sophical ideologues, people who attack the
weak and blame the victim. Their policies are
all directed along this line.

ustralians need assistance at times, and
when they need that assistance they should
not be treated as second-class citizens. This
government is creating a big gap between
those who have and those who have not. All
its policies, in every area, are designed to
achieve this. This government will continue
to promote its GST as a good thing for the
community and to promote its savings bonus
but, at the same time, it is disadvantaging
those people who really need help. It will
target and attack those people who need the
protection of social security in Australia, of
the Social Security Act and the services that
are now provided by Centrelink. This gov-
ernment has attacked every fabric of our so-
ciety in Australia. This attack has been led by
the Prime Minister and the Minister for Fam-
ily and Community Services, Senator New-
man. Under this government we have seen
$5,208 billion cut from social security and
100,000 children growing up with neither
parent working. What does this government
do? It continues to make it harder for those
children and those families and it continues
to provide incentives and bonuses to those
people who have money and who can save.

The government has increased the poverty
traps with the abolition of the earning bonus
and the changes to the youth allowance. This
government has slashed funds to public hos-
pitals and education and closed Medicare
offices throughout Australia. In Shortland we
have really felt that, because our Medicare
office at Belmont was closed. This is an area
where there are a lot of pensioners, and a lot
of pensioners who are going to miss out on
the savings bonus. It is also an area where
there are some self-funded retirees who will
benefit under the changes proposed in this
legislation, but these are also people who rely
on Medicare and on being able to access
Medicare and who previously could access
Medicare at Belmont and now have to travel
some distance before they can access this
service.
This government attacks those people who are most vulnerable. Every piece of legislation that is introduced under the umbrella of family and community services is designed to attack those Australians who we would hope, as Australians, would be protected. This is a divisive government. It is a government that governs for its friends with money and it promotes a divisive society where, if you have money, you get more; if you can save money, you are eligible for a savings bonus; but, if you are in hardship and you have to struggle for every little thing that you put on your table and every necessity of life, you get nothing.

Mr RIPOLL (Oxley) (1.28 p.m.)—I rise this afternoon to speak on the Family and Community Services Legislation Amendment Bill 2000. This bill contains various amendments to the Social Security Act 1991, the A New Taxation System (Bonuses for Older Australians) Act 1999, the Social Security (Administration) Act 1999 and the Social Security (Administration and International Agreements) (Consequential Amendments) Act 1999. Schedule 1 of the bill, in particular, amends the double orphan pension provisions of the Social Security Act 1991 to guarantee the rate of family allowance for double orphans at the rate that was applicable at the time the child became a double orphan. This amendment is retrospective, applying to children who became double orphans on or after 1 July 1998. In addition, this schedule expands the definition of ‘double orphan’ in subsection 993(2) of the Social Security Act to include the situation where one of the parents has died and the other parent is a long-term remandee. This is not currently the case—currently it covers only where one of the parents is serving a long-term sentence. This is a necessary change and it reflects a good change in trying to deal with what is a very difficult situation. It will go a long way towards making this situation somewhat better financially.

Schedule 2 amends the A New Tax System (Bonuses for Older Australians) Act 1999 to ensure that the disqualifying period for the self-funded retirees bonus ends on 30 June 2000 rather than on 1 July 2000. This will avoid a one-day overlap with the revised package. Without this proposed amendment, an older Australian who becomes qualified for an income support payment for the first time on 1 July 2000 may be precluded from receiving a self-funded retirees bonus, which is obviously an unfair result. This amendment is actually quite good and should be supported. While I think that in itself is good, that does not mean that the actual savings bonus changes and the proposed scheme per se are good. I am sure there are some people who will receive some money and think that it is a great bonus, but for the vast majority of people who will not receive anything it will be quite clear that there is nothing good about it.

The real problem about who gets this aged persons savings bonus is that there are just not going to be many of them. The government, at the time of the election, used this as a lever for those people who might not have been inclined to vote for the GST to persuade them that somehow they would get $1,000—and they were convinced. I have talked to many of my constituents who came to me and asked, ‘Aren’t we getting $1,000?’ I said, ‘No, it is actually up to $1,000 and you have to qualify and, in fact, there is a whole range of hurdles and barriers that the government have put in place.’ While this scheme purports on the surface to be about giving people a bonus, the majority of Australians who (1) are eligible and (2) qualify will get very little bonus at all.

This first came to my attention when one of my constituents, Abe Stanley, received in the mail a government GST propaganda brochure about the A New Tax System package titled What you need to know. After some painstaking reading of this difficult to read document, he was getting excited about this possible $1,000 that he was going to receive—and he believed from all the electioneering in 1997 and 1998 that he actually would receive it—when he came across a part and realised that there were a couple of words before the $1,000, and those words were ‘up to’. He thought, ‘Hang on—up to usually means that there is a bit of a problem.’ So he rang the information number and spoke to somebody in the department. They basically said to him, after asking him a
number of questions, ‘You do not qualify. You will get nothing.’ He figured he was the average type of person who might be in this situation—which I believe he is—and that if he did not qualify maybe a whole lot of other people did not qualify either.

We started making a few inquiries, and it looks like the way the government have structured this is to say, ‘We will give you a bonus, but to get the bonus you cannot earn more than $30,000 a year, and you only get a bonus based on income earned from savings or assets.’ It is a dollar for dollar: to get up to $1,000 as a bonus, you would have to earn up to $1,000 in income from interest. For a lot of people—if you can do a quick bit of maths—that would mean that they would have to have a fair wad of money sitting in a bank and doing not much to be able to earn that. Most people at that age who might have that sort of money will not have it just sitting idly in a bank account earning two, three or four per cent if they are lucky; they are going to have it invested somewhere else, where it does not qualify for this scheme.

I decided, on behalf of the constituents of Oxley, to put a question on notice to the Treasurer. I asked him a number of questions in relation to this aged persons savings bonus component. I asked him, firstly, how many people would be eligible in totality. The response to that was 1,160,340. I then asked him how many persons did the government expect would receive less than half of the $1,000—that is, persons who will receive less than $500 based on their own accounting. The number they gave me was 838,818—roughly about 85 per cent. So 85 per cent of people who first qualify will receive less than $500. They did not quantify it down to a smaller figure, but I am now pursuing how many people will receive less than $100. In fact, I think we will find that of the 85 per cent, probably a further 85 per cent will receive little if anything at all.

This bonus saving scheme should have actually been termed bonus saving scam, because that is what it is. They told people that they would get a $1,000 bonus, and this is what people believed. This is not the reality; this is not what people are going to get. There is no $1,000 coming because, if you do qualify, you are going to find that you qualify maybe for $100, $50 or $150. It is going to make little or no difference in offsetting the sharp edges of the GST and the cost to these people—that is, to people who, to start with, qualify for that component.

The government went further to try to convince self-funded retirees that somehow there was an even better bonus for them, possibly up to $2,000. Why not? Why not make it up to anything you like, because they are not going to give it to you anyway. They could have made it up to $10,000 or $100,000, because it does not really matter what the ‘up to’ is; the reality is that you get very little. I posed the same questions to the Treasurer in relation to self-funded retirees. His answer was quite interesting because, again, there are so few people who will be eligible that it is going to cost the government very little at all. He said:

Between 15,000 and 20,000 of such persons are estimated to receive less than $500 of the Self-Funded Retirees Supplementary Bonus. Let us average it between the two—17,500. We are only talking about 17,500 people. Of those, not 100 per cent are going to receive anything at all. The Treasurer, in the response to my question, said:

... as they are expected to have savings and investment income and spouse income high enough so as to make them ineligible for the pension. They are saying that of the 15,000 to 20,000, the majority of those, because they are expected to have high enough incomes—this is why they are self-funded retirees or able to provide for themselves—will not actually qualify. Again, the terminology used by the government in so many parts of their legislation is something right out of the book 1984. It is all about doublespeak: more is less, less is more. When they say savings bonus, they mean you get nothing at all. It was like the ‘Better Jobs, More Pay’ legislation. The name of the legislation should have been ‘fewer jobs, less pay’ because that is the reality about what was contained in it. You can dress it up however you like; you can call it whatever you like. But the reality is that people know that they will get nothing at all.

This takes me to the next part in the bill about income support and parenting pay-
ments. When the government talk about income support, they are not really talking about support as we might traditionally think of it, as in ‘We are going to try to support you either financially or by some other means’ they are really saying, ‘Let’s do some more cost cutting.’ That is what this is all about. When they say income support, they talk about cost cutting. How do they save money on those people who are supposed to receive income support? It is about bringing the goalposts in closer. It has nothing to do with providing more; it is to do with providing less. It is more of that doublespeak from the government.

Thinking through the real effect that this will have on parents—and this is in terms of child custody, Newstart and who has the majority of care, the 60-40 rule—the government will make it even more difficult for these people to actually be able to receive what they are entitled to and more difficult to be able to receive it in a manageable way. It is very difficult for people who have split up, whose families are no longer together. For the majority of them, if not all of them, the income support they receive is all they have. The government are proposing to take some of that away. They are trying to split it up. They are trying to use income support as some sort of mechanism to make it even more difficult for people who are going through extremely difficult family situations. This part is one of the most anti-family bits of legislation contained in this bill. There are many other anti-family policies and anti-family pieces of legislation contained not only in this particular bill that we are discussing today but in a whole range of legislation. I will be talking about those in a moment.

As I said, it makes it more difficult for parents to cooperate on issues of custody because they will be using this issue of who has the children for what percentage of time as another lever. Some parents will use this. It is tragic that that will happen, but the government are handing that over as a mechanism. They are saying, ‘Here you are. If you split it up this way, we will give you more of the money.’ For example, if the father is not currently looking after the children for a percentage of the time, he might decide to look after them for 10 per cent more of the time, and then say that he is entitled to half or 40 per cent of what the mother is getting. I think this is going to create more problems, not just in this area but in the area of family courts and child support agencies. I do not think the government have thought this through.

The government make very big claims. John Howard, during previous elections, talked about family. He made a big issue of saying that this was a government about family, just like he made a big claim about this being a government about small business. I would say that it is quite the opposite. This is not a government about family. Everything they put in writing in every policy and in every bit of legislation is anti-family. One example is the GST: what is ‘family’ about the GST? It puts the greatest burden on the shoulders of those least capable of paying, and they are families. The ones with two, three, four or five children, with only one parent working, will shoulder the largest component of cost in everyday items that they purchase, because it is a consumption based tax. We cannot seem to get through to the government that if you are wealthy—if you are on $100,000 a year, or $50,000 or $60,000 a year, although you may not be wealthy if you are on $50,000 a year—the GST is not such a problem. If you are a one-income family then you shoulder the full cost, whereas if you have two incomes you can spread that cost a little bit better. When the government talk about being pro-family, I would say that they are very sadly mistaken, because what is contained in this bill is the reality. The reality is that they are going to drive families further apart, not closer together. I think this is a very detrimental part of this bill.

To put all of this into context, I want to look even further at the government’s record since they came to office. I am not just making this up when I say that this is an anti-family government. Let us have a look at the reality: $1.8 billion has been cut from labour market assistance programs. Who is that going to hurt? It is going to hurt people and families looking for work. They are slugging people, on the one hand, with an unfair tax
and, on the other hand, with this so-called income support, which is about reducing the amount that people will get, or about splitting it up, so that it will not really matter anyway as it will be so small as to be insignificant. While they are talking about all this, the reality is that they have ripped away from families $1.8 billion in labour market assistance programs.

I will move on to something even closer to the heart and, again, anti-family: $851 million has been ripped away from child-care funding. If you talk to child-care centres that cannot provide services, they will tell you horror stories of families forced into relying on backyard unprofessional care, which the government have now said they might look at doing something about—a problem which they created. So what do the government do? They take money away from child-care funding. Is that a family policy? Would anyone look at that and say that this is a government that is pro-family? Here it is in their policy, legislation and actions—actions which include cutting away $851 million from families. There is a whole range of other examples in education and health, which make it more difficult for families to be able to survive. This has given a sharp rise to the inequality between the haves and the have-nots and the inequality between one type of family and another type of family. Again, this is a government that said they would govern for all, but they are a government that govern for very few.

I want particularly to touch on the effect that this bill will have in relation to the GST and the effect that will have on a whole range of areas. The government made a big deal yesterday—and over a number of months—about how tough it will be on businesses that try to profiteer from the GST. The government has already failed because we have now seen the Minister for Financial Services and Regulation come in here and bluster on about the Video Ezy case that they are now charging $7 for an overnight new release video rather than $6 and so somehow they will be facing fines of up to $10 million. It could be up to $100 million—it could be up to a billion dollars—because, just like in this bill, ‘up to’ means nothing. I can tell you now categorically that Video Ezy will not pay $10 million—not even close.

Have a look at what is happening here. The government is saying that that company is profiteering from the GST before 1 July by putting their price up from $6 to $7. Video Ezy have said, ‘No, that is just reflecting costs. That is just reflecting what every other video distributor is doing.’ When you look around at the moment, Minister, you will find that nearly every video store is charging $7. So I hope that the government will now pursue, through the ACCC, every single video store. But I do not think it will; nor do I think it should. By introducing this policy, the government has opened up the floodgates of profiteering. It has opened them up so wide that there will be no way known that this government or the ACCC will have the teeth necessary to prevent it. Nor will it get legal backing or find a court that will somehow find in its favour. This is what I believe will probably happen if the government takes them to court: one of the people working at Video Ezy, when asked, ‘Why have the videos gone from $6 to $7?’ said, ‘Oh, you had better get used to it because the GST is coming in so there will be an increase in prices.’ What a solid case you have there. What evidence that is. I am sure you will have fun in the courts with that. It is an absolute bluff on the government’s part. The government has opened up the floodgates regarding profiteering. We will be the ones who will pay. It will be families that will pay.

Let me quickly touch on the inflationary issues related to the GST and on how they relate to this bill. When we talk about income support and about how people will actually get less, this government went out there and said, ‘1.9 per cent is the basis of inflation. We will set the benchmark for compensation.’ They set the benchmark for compensation because it was needed. They knew—though they have not admitted it, but perhaps they have admitted it through their policies—that this will cost you. It will slug ordinary Australians. It will slug those least able to afford it. So they had to put in a compensation package because they had to offset it. Otherwise, you will not be able to cope. It is as simple as that. But it is not 1.9 per cent; it
is much more. So everything that was promised—‘There’ll be more dollars in your hip pocket; you will be out there enjoying a better lifestyle; you will have more disposable income’—in reality means nothing at all. But it does mean one thing very clearly: you do not actually end up with more dollars in your pocket; you end up with less. So once again the government will have their hand firmly jammed into your pocket every time you go and buy milk and bread. And milk and bread do not have GST on them, by the way. Why do I say that? Because milk and bread are two staple goods or products on which the government says, ‘No GST will apply.’ They have already gone up by 20 per cent. The ACCC is now looking at that. Why have they gone up by 20 per cent? Because of the inflationary impact of the GST.

The GST is affecting the price of everything today—before 1 July. Wait until 1 July comes around. Then we will really see how all of this affects inflation. So, while the government made all sorts of promises about how we will all be better off, the reality is that we will all be paying a lot more than we ever expected. (Time expired)

Mrs IRWIN (Fowler) (1.48 p.m.)—Family and community services in the hands of this government always involves a bit of a fiddle and a lot of door shutting. It is only now that we find out that John and Wendy would be well advised to postpone having a family. And last week we saw the family assistance legislation being rushed along while this government tried to do fixes on its ANTS package. I would have thought the interests of families came before bedding down the detail of the GST, but it is fairly obvious that this government had not sorted out the detail of the family support compensation package until just recently. The Family and Community Services Legislation Amendment Bill 2000 is another amendment bill with adjustments, with a fix—though not a hugely significant one. But we are less than three months from the big tax day when suddenly the world will change for the better, when the black economy will cease to exist and when families like the one John and Wendy are planning will be millionaires. On Monday we were told that, if it does not work out that way, John and Wendy can take their case through a review channel. This government is dragging its feet, and it appears to be putting the needs of families in second place to the revenue side of the new, regressive tax system.

My electorate of Fowler is made up of one of the highest young family populations in Australia. There is a high take-up of parenting payment, as well as the lowest share ownership. John and Wendy live in my electorate of Fowler, so I am interested in what is in it for them and for their children, as well as for their retired parents. From what I can see of the government’s social security figures against the additional costs brought on by the GST, John and Wendy will be going backwards. If their parents are pensioners, there is nothing for them either in the new tax system, and nothing in the so-called bonus for older Australians which gets a fix in this bill. John and Wendy will get caught in the financial year income assessment when Wendy gives up work, and mum and dad are deluding themselves if they think they are going to get a motser with a bonus for older Australians.

John and Wendy are buying into a load of trouble just by planning a family. They will be slugged by the GST and will not get any compensation unless they take their case to Family and Community Services in a narrow window of three months. They are not supposed to be worse off. We have the Prime Minister’s absolute assurance that only tax cheats will be worse off. But, if they are, they can plead with welfare for a top-up—but only for three months. If John and Wendy do not speak terrific English, are shy of government officials and not familiar with the ways of this devious government, they will not make it to the Family Assistance Office. The GST is less than three months away and I am not aware of any Family Assistance Office in my family oriented electorate. The Centrelink youth services section at Cabramatta in my electorate has just been closed, which says something about the family orientation of this government. If John and Wendy do not make it to the non-existent Family Assistance Office in time, they will miss out. Low income families with babies are the target of targeted
assistance. This is not only a case of policy slippage but also dishonest marketing. But let me come to that later.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! I am loath to interrupt the honourable member for Fowler, but there seems to be a growing lack of awareness that there is an obligation on members to speak to the bill before the House. The two primary functions of this bill are the double orphan allowance—

Mrs IRWIN—I am getting to that, Mr Deputy Speaker.

Mr DEPUTY SPEAKER—And older Australians.

Mrs IRWIN—Correct.

Mr DEPUTY SPEAKER—I am glad that you are going to get to them.

Mrs IRWIN—The changes to the double orphan pension are welcome. I think we all knew there would be little in the way of outlays for improving the payment. Not many of us have had to deal with such situations. Parents do end up in institutional care because of mental illness or drug addiction problems; or they end up in jail for crime or drug addiction problems; or they die young and leave behind children of a tender age.

The extension of the provisions to consider people on long-term remand is a recognition of the real world and is welcomed. I think we all knew there would be little in the way of outlays for improving the payment. Not many of us have had to deal with such situations. Parents do end up in institutional care because of mental illness or drug addiction problems; or they end up in jail for crime or drug addiction problems; or they die young and leave behind children of a tender age.

I was reading an article in the Sun Herald magazine the Sunday before last about an overstretched family on $150,000 a year. Like lots of families in Fowler, the heart of Sydney’s south-west, they are barely able to make ends meet. That family is managing to survive because it is able to juggle credit cards against its mortgage and other sizeable overheads, as well as the usual decisions about renovating within a reasonable $100,000 budget. Says Don in the article:

We limited the renovation to the basics inside We didn’t touch the bedrooms really, or the lounge-room.

Sarah says the family’s financial situation is that they have been somewhat cramped by their decision to upgrade their house but that is only a temporary crisis. She continues:

If it got bad we would cut back. If I lost my job, or Don did, we could get rid of the cleaner, gardener, cut back on takeaways, get my mother to pick up the girls from school.

But Don—and get this—worries it’s a losing battle. He says:

I admit I’m a worrier but interest rates are on the rise, the kids are going to get more expensive, not less, and I don’t think our incomes are going to rise enough in the next few years. And our credit cards never get cleared.

What they are doing is spending more than they earn, and there is an assumption about families in the low income bracket that that is what they do. In fact, the information is sketchy. The figures that come out of the household expenditure survey do not seem to be completely reliable, probably because some families are not admitting to Commonwealth assistance. There is also the problem of families moving in and out of a low income bracket as one or both parents lose a job but continue to spend at the same rate assuming, like Sarah, that the crunch is only likely to be for a short time. The credit card explosion seems to support this. The guesstimate is that poor families overspend 10 per cent of their income while well-to-do families save 15 per cent. We have to have models in developing policy, but you can see that there are large numbers of people who do not fit. Older people show a resistance to credit; they do not dis-save. That is where the GST compensation measures will cause major inequalities.

The trouble with the sorts of policies coming out of this government is that it is a spreadsheet government: it is being done by accountants for accountants. It is all on paper.
It shows no understanding of people out there beyond the computer screen. There is no feel for the different responses people make to the financial straits they find themselves in. I am positive that no family in Fowler on $30,000 a year—that is, John and Wendy when Wendy gives up work—has had a phone call from a government agency congratulating them on their resourcefulness, on their economic brilliance and goal setting in making ends meet on a low income. In fact, the theory is that they do not exist. They cannot exist without giving the plastic a hammering. They do exist in Fowler, I can assure you, Mr Speaker. Most have large family support networks as part of a cultural tradition, they grow vegetables, they cannot afford extensions, they do not use child care and they cook at home. They are the opposite of the other couple, the preferred model, Don and Sarah, whose parents—having come through the Depression—do not understand them and their ‘born to spend’ lifestyle. When the crunch comes, it will be Don and Sarah’s parents who look after them. The trouble is: it is the Don and Sarah types who are making policy in this government.

The reality is that steady families on lower incomes need to have a clear understanding of their entitlements because they maximise their marginal dollars. They plan. They do not need the Prime Minister to stake his personal integrity on his promise that they will not be worse off. They need reliable information. They are not getting it from this government, and they could well be forced to go the credit card route to make up any shortfalls. Older Australians are not getting any good information either. The savings bonus for senior Australians has got more than the oldies confused. It is supposed to compensate for the regressive GST. You would think—and most older Australians think this way—that they are all going to get $1,000. It is a bonus, a kind of reward, for being an older Australian.

Mr Speaker—Order! It being 2 p.m., the debate is interrupted in accordance with standing order 101A. The debate may be resumed at a later hour and the member for Fowler will have leave to continue speaking when the debate is resumed.

QUESTIONS WITHOUT NOTICE
Goods and Services Tax: Petrol Prices

Mr Crean (2.00 p.m.)—My question is to the Prime Minister. I refer to your election promise that the GST ‘will not’ increase the price of petrol, a promise reaffirmed by you as recently as 2 April this year. Why have you now weakened this promise to ‘need not’? Can you explain the difference between ‘will not’ and ‘need not’, and do you stand by your promise that the GST ‘will not’ increase any petrol price?

Mr Howard—There has been no weakening of our commitment. But this gives me the opportunity—and I thank the Deputy Leader of the Opposition; I am indebted to the opposition for allowing me to talk for a few moments, particularly to those on this side of the House who represent the interests of rural and regional Australia and to the many rural and regional people throughout the nation—to state that we have delivered in full on that commitment we made in ANTS. We are proud of the fact that, as a result of the arrangements announced by the Treasurer yesterday, the price of petrol, as indicated in the tax reform documents, need not rise as a result of the GST. That means that, as a result of the introduction of the new taxation system, there will not be any increases in the price of petrol. But it gets better: as a result of the introduction of the new taxation system, the tax component of the purchase of petrol will now be deductible for taxation purposes. As a result, the price of petrol used in any business anywhere in Australia will on average be about 7c a litre cheaper than would otherwise be the case.

But it gets even better than that: today the Assistant Treasurer released what might loosely be called in the trade the ‘diesel maps’. These spell out those areas of Australia that will get the full rebate; the rebate originally promised by the government which would have been available to everybody but for the failure of the Labor Party to support small business in the metropolitan areas of Australia. This failure of theirs will be another reminder to the small business community of Australia, as we come through 1 July and the months after 1 July. For those people who say, ‘Why isn’t this rebate available eve-
rywhere? I will be able to answer, ‘Because the Labor Party didn’t want it to be available everywhere.’ The Labor Party were very happy to obstruct, to confuse, to deny and, generally, to behave in a very uncooperative fashion. The diesel maps fulfil the commitment we made to rural and regional Australia. It would have been fulfilled for the rest of the community but for the failure of the Labor Party to recognise their responsibilities to urban people. They decided to abandon the businesses of urban Australia in the interests of playing politics.

If I can return to the issue of petrol, the good news out of the Treasurer’s announcement—and indeed it was all good news; all the Treasurer’s announcements are good news for the Australian economy—is that the promise we made will be delivered in full: petrol will not rise as a result of the GST.

Goods and Services Tax: Rural and Regional Australia

Mrs GALLUS (2.04 p.m.)—My question is addressed to the Treasurer. Would the Treasurer provide an update to the House of the benefits of the new tax system for families and business in rural and regional Australia?

Mr COSTELLO—I thank the honourable member for Hindmarsh for her question. I think people who look at the government’s tax reform policy could say, independently and objectively, that the great winners under it are rural and regional Australians. Not only are income taxes cut, with the largest tax cut in Australian history, but company taxes are cut from 36 to 30 per cent; the capital gains tax is halved; if you happen to be in business, it is effectively a 75 per cent discount for businesses in respect of their roll over into a new business; and if you happen to be a farmer who has held an asset for 15 years and you are retiring at the age of 55 to go into the town, you can sell something capital gains tax free, which has never been done before in Australian history. There is $1.9 billion of cuts in diesel and petrol excise. In addition, the program which I announced yesterday is a targeted grants scheme to regional and remote Australia to ensure that, as a result of tax reform, petrol prices need not rise. That has been very warmly received overnight. The National Farmers Federation said:

The initiative will be particularly welcomed by Australians living in rural and remote regions.

The President of the Queensland National Farmers Federation said:

Yes, this is great news, not only for farmers but for anyone who is living in rural or regional Australia.

The Australian Automobile Association welcomed the announcement. The NRMA welcomed the announcement. The RACQ representative said the grants scheme is the only sensible way to ensure prices would not rise after the GST. The MTAA welcomed the government’s decision. The Australian Democrats welcomed the government’s decision. As far as I could tell, I found only one group of people in Australia opposing the system. There is a group of people in Australia who are apparently opposing the government’s grants system for rural and remote Australia. I regret to say they are led by none other than the old ex-ACTU President himself, the member for Hotham.

I got a good laugh this morning when I was reading today’s Bulletin. There was an interview with the Leader of the Opposition. The report says that the Leader of the Opposition, when asked about how Labor will win the bush:

. . . says—with a straight face—that Simon Crean and Martin Ferguson are popular in rural Australia. . .

‘We’re from the ACTU and we’re here to help you; here we are, sign ’em up, roll ’em up, unionise those farmers, help them’—all these ex-ACTU presidents out there in rural Australia helping the farmers of this country. Good heavens! There he was out on radio today, opposing this grants scheme, and Howard Sattler said to him, ‘I made the point to one of your colleagues yesterday it would be better to have an all or nothing GST and not a mish-mash;’ Simon Crean, ‘There’s an element of truth in that’—an all or nothing GST! But hang on, the Labor Party is in favour of roll-back—‘roll-back’, Mr Speaker, the policy which now dare not speak its name. You will never hear ‘roll-back’ coming from the Leader of the Opposition because ‘roll-back’ on income tax means ‘roll
up'; on spending, it means ‘roll out the barrel’; on unions, it means ‘roll over’; and in relation to the Leader of the Opposition, it means no policy, no integrity and no principle.

**Goods and Services Tax: Petrol Prices**

Mr FITZGIBBON (2.09 p.m.)—My question is addressed to the Prime Minister. Prime Minister, I refer to your promise, re-committed today, that no petrol price will rise as a result of the GST. Are you aware that, today, the price of unleaded petrol at the Mobil station on the corner of Victoria Road and Macarthur Avenue in North Parramatta is 84.9c per litre? Prime Minister, given Parramatta motorists will not get any of your petrol grant and the 7c cut in excise will not cover the impact of the GST, how will you guarantee that the GST will not force up their petrol prices in Parramatta?

Mr HOWARD—Gee, Eric was better than this. Why don’t you come back after 1 July and ask me the same question.

**Diesel Fuel: Grant Scheme**

Mr St CLAIR (2.10 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister advise the House on the outcome of arrangements to establish boundaries for the on-road diesel grants scheme? Who will be the major beneficiaries from these arrangements?

Mr ANDERSON—I thank the honourable member for New England for his question. The federal government is slashing transport costs for rural and regional Australia for the benefit of the entire nation. This is in direct contrast with the ALP which when in government only ever increased fuel excise, often and arbitrarily, and in opposition has sought to do nothing other than to block the very real relief that we are offering. I note in passing at the outset that primary producers, of course, will be eligible for this grant, regardless of location, in recognition of the fact that several primary producers who operate on the urban fringe may otherwise have been excluded from eligibility for the grant. Grants under the scheme will be available to contractors or agents who transport goods on behalf of a primary producer, providing that that producer is the sole beneficiary of a journey. Vehicles between 4½ tonnes and 20 tonnes can qualify for journeys in rural and regional areas. The government has now released the metropolitan boundaries for the scheme. I note at the outset that no less than 99 per cent of the Australian land mass is excluded by the rural and regional boundaries. I also note that those boundaries were not part of the government’s original tax reform package. It was only Labor’s blanket opposition to tax reform that made the compromise package necessary. It is worth remembering that their form on fuel excise is pretty good—500 per cent increase in excise during the time they were in power. The discretionary rises were extraordinary: 3c in 1986, 3c in 1993, 1c in 1994, 1c in 1995—all of it, of course, without any compensatory mechanisms at all. Under Labor, excise on diesel consistently rose; as I mentioned a moment ago, we are the only people who have cut it. The endorsement and support for this today has been overwhelming. From the Queensland Farmers Federation: The government has listened; members ought to be congratulated for their approach. From the Australian Trucking Association’s Andrew Higginson: This is a win-win situation for industry and Australia.
But who wanted it not to be a win-win for Australia? From the National Farmers Federation, ‘Fuel scheme changes will benefit country.’ The VFF ‘welcomes on-road diesel breakthrough’. A New South Wales statement is headed, ‘A major win for farmers on diesel tax reform as commonsense prevails.’ It is a commonsense reform. It strikes me that we live in a strange sort of age. According to the ALP, the GST is so bad that they will retain it. The health rebate arrangements are so bad that they will be retained. We are not sure about what they will do about native title because they have done a flip-flop overnight. But the Deputy Leader of the Opposition has let the cat out of the bag that the fuel tax cuts that we are putting in place are so good that Labor are going to get rid of them.

DISTINGUISHED VISITORS

Mr SPEAKER—I inform the House that we have present in the gallery this afternoon as a guest of the parliament Mr Armen Khachatrian, Chairman of the National Assembly of the Republic of Armenia. On behalf of the House, I extend to him a very warm welcome.

Honourable members—Hear, hear!

Mr SPEAKER—While I have the House’s attention, I should also inform the House that, for just a brief time this afternoon, we have in the gallery the Hon. Murasoli Maran, Minister of Commerce and Industry in the government of India, who is visiting Australia as a guest of the government.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Petrol Prices

Mr HORNE (2.16 p.m.)—My question without notice is to the Prime Minister. Prime Minister, I refer to your promise also that no petrol price will rise as a result of the GST. Are you aware that the price of unleaded petrol in Foster yesterday was 92.9c per litre? Is it not true that, even with your 1c regional grant and your 7c cut to petrol excise, this price of petrol will increase after your GST to 93.5c a litre? So much for rural and regional Australia!

Mr HOWARD—in answer to the member for Paterson, I do not concede any such thing. I invited the member for Hunter earlier to come back and ask me the question after 1 July; for reasons that will become apparent as we get closer, you ought to come back after 1 July too.

Diesel Fuel: Grant Scheme

Mr WAKELIN (2.17 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry

Mr Beazley interjecting—

Mr SPEAKER—Order! The Leader of the Opposition!

Mr Downer interjecting—

Mr Costello interjecting—

Mr SPEAKER—The member for Grey is not being assisted by the Minister for Foreign Affairs, the Treasurer or the Leader of the Opposition. The member for Grey will commence his question again.

Mr WAKELIN—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister inform the House of the benefits, particularly for farmers, from the government’s new diesel fuel and alternative grants? Would the minister inform the House of any alternative views that exist on this issue?

Mr TRUSS—I thank the honourable member for Grey, who represents one of the most vastly populated parts of Australia where fuel tax is a major issue, for his question today. This question and the government’s announcement in relation to the fuel grants scheme really represents a major watershed in the difference between the politics of this side of the parliament and the politics of the opposition, the difference in the approach to life in regional Australia between the coalition and the ALP. Of course we should not be surprised because the ALP have plenty of form when it comes to dealing with fuel tax issues. When in government, the only direction they ever sent fuel excise was up. It went up from 9c a litre in 1983 to 33c a litre in 1996. That is how much they wanted to encourage agriculture. That is how much they wanted to encourage people who lived in rural and regional Australia. They wanted
to tax them and tax them ever more. Indeed, at one election they actually had the audacity to go to the Australian people promising tax cuts and then within days had delivered a massive increase in fuel tax.

Fuel tax is a tax on distance. If ever there was a country that should not aggressively tax fuel, it is a vast country like Australia. It is a tax on doing business outside of the capital cities. It is a tax on farming in the distant parts of our nation. It is a tax on living and setting up a business in a country town. That is the sort of tax that Labor wants to increase. But what a contrast today. As the honourable member for Grey rightly points out, the announcement by the government today is perhaps the most significant cut in farm costs announced by a government in Australian history. Reducing their transport costs in getting their produce to the market makes Australian farmers more competitive with people who are farming in other parts of the world. It gives us an opportunity to get off the back of Australian farmers some of this huge transport cost that is associated with moving their product to the marketplace and then into export opportunities around the world. It makes our farmers much more competitive.

What a difference there is between the approach of this government and the approach of Labor. Labor considers cuts in fuel excise to be a subsidy on pollution. So it is pretty obvious where it stands on these sorts of issues. If the Australian farmers and rural communities were unfortunate enough to ever again have to endure a Labor government, the first thing they could be assured of is that the tax rebate scheme announced today, this grants scheme which offers such enormous benefits to rural and regional Australia, would be abolished. It would be lost. The fuel tax would be back up to the 30s, 40s, who knows, that the Labor Party has been infamous for in years gone by. It is not surprising that the farm organisations have been so enthusiastic about this policy. It is great news for rural and regional Australia. It is not just good news for farmers; it is good news for their rural communities. It is good news for those who do business in country towns. It reduces not only their costs but also their cost of living because the cost of bringing things to country towns will be so much reduced. The other thing I would like to mention briefly is the fact that these benefits apply also to farmers who live close to the cities—egg producers or horticulturalists who live close to town. They will not be disadvantaged under the arrangements announced today. So all Australian farmers will benefit from this significant initiative. The government deserves the congratulations that are coming to it from farm organisations because this is a major breakthrough in the costs for rural and regional Australia.

Goods and Services Tax: Petrol Prices

Mr SNOWDON (2.22 p.m.)—My question is to the Prime Minister. Prime Minister, I refer to your promise that no petrol price will rise as a result of the GST. Are you aware, Prime Minister, that the price of unleaded petrol today in Kaltukatjara-Nguratjaku in the Northern Territory is $1.30 a litre? How will yesterday’s announcement deliver your guarantee that the GST will not force up the price of petrol in Kaltukatjara-Nguratjaku?

Mr HOWARD—I think I have to give the honourable member for the Northern Territory a similar answer. I will take a huge risk: I will accept his depiction of what the price of petrol is in the nominated place as being an accurate depiction.

Mr Costello—No, no.

Mr HOWARD—No? Do you think that is risky, do you?

Mr Beazley—Go and see for yourself.

Mr HOWARD—I cannot simultaneously be in Paterson, the Northern Territory and Parramatta. This is an able government. It is a very dexterous government. It has a great amount of talent. It is a government that is willing to travel. But I cannot be in all of those places at once. I simply invite the member for the Northern Territory, along with the member for Paterson and the member for Hunter and also another member who asked me a question—I forget who it was; it was an unremarkable question—to come back after 1 July and they will have their answers.

Mr Crean—You won’t be here; you’ll be in London.
Mr HOWARD—Actually it will be a Saturday when the GST is introduced.
Mr Crean interjecting—
Mr HOWARD—Oh, we know the date! I invite you all to come along and you will be well and truly instructed. Let me conclude this answer with this thought: the government made a very deliberate commitment in relation to the cost of petrol and the impact of the introduction of the GST. We made that commitment knowing full well the implications of that. I want to congratulate the Treasurer on the scheme that he announced yesterday. It was a very good scheme and it is a scheme that will deliver that commitment. For those on the other side who seek this information, I ask that you transmit that valuable information to your constituents.

Telstra: Sale

Dr WASHER (2.26 p.m.)—My question is addressed to the Minister for Finance and Administration. Would the minister inform the House of the government’s position on the planned sale of Telstra and how it will contribute to a stronger telecommunications company which can continue to increase real services to rural and regional Australia?

Minister, are you aware of any alternative proposals in relation to this issue?

Mr FAHEY—The honourable member for Moore is aware that Telstra operates in a rapidly changing and highly competitive industry. All Australians would be aware by simply looking at the billboards that are available on any freeway and by looking at television advertisements that appear every night that the price of telecommunications has dropped significantly in recent years. In fact, the price of an untimed local call is now down to around 15c per call.

Mr Beazley—it’s called competition.

Mr FAHEY—The price of STD is down by something like 45 per cent. The price of international calls has gone down in the last couple of years by some 80 per cent. And, yes, the honourable Leader of the Opposition has got it right: that comes from competition. Less than three years ago when competition came into place on 1 July 1997 there were three telecommunications carriers. Today there are 39 licensed telecommunications carriers in this country. A couple of years ago Telstra was competing for big business in the context of some 60 companies who sought a tender from two telecommunications companies. Today, some 1,000 large companies seek telecommunications companies—this time seven telecommunications companies—to in fact tender for the work that those companies require.

The government recognised some considerable time ago that if you want to get the level of services, the diversity of services, available to all Australians you have to unshackle Telstra and get it away from government ownership. We went very clearly to the Australian people in the October 1998 election and in a satisfactory way we got the endorsement of the Australian people to sell the rest of Telstra. In that regard, there is a clear understanding by the Australian people of just what is required in respect of this company and what the government will do. We will continue to ensure that the regulations are there to deliver those services.

We welcome today’s announcement—a clear delivery on the guarantee given by Dr Switkowski a short time ago of upgrading services in regional Australia, a $350 million customer access network upgrade on top of the $700 million announced by Telstra for regional Australia on only 8 March this year. We welcome that and, under the regulatory regime that this government put in place, we will continue to ensure that there will in fact be service levels that are there. We said when we went to the Australian people that there was one condition: an independent inquiry. That inquiry is under way in respect of the adequacy of service levels that are there. So the Australian people have absolutely no doubt that it is in the best interests of Australia and the best interests of the community to see Telstra out there, unshackled, competing in that highly competitive world and not owned by government.

What is the opposite view? I note with great interest that tonight the Leader of the Opposition will be addressing the Sydney
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Institute, and he will explain through the Sydney Institute why there should be no further sale of Telstra, as I understand it. It is going to make for some interesting listening and reading. An article in today’s Bulletin entitled ‘The Accidental Leader’ has this comment:

He is against the sale of Telstra but he didn’t really used to be and many in his inner circle are convinced he would sell it if in office.

There is a book available, if anybody wants to produce it, of his quotes on the benefits of privatisation when he was the Minister for Finance and responsible for all of those sales like Telstra, like Qantas and like the Commonwealth Bank. Of course, now we know he has a different view because he is in opposition. It will be interesting to see if there is a bit of roll-back in the speech tonight with respect to Telstra—roll-back seems to be his latest theme for everything. The one thing I know I can guarantee is that whether he makes a speech on Telstra tonight or whether he makes a statement in this House today the take-out will be that Labor is totally lacking in leadership. There is nothing there in the way of direction with respect to Telstra and the benefits that are there for the Australian community in anything the Leader of the Opposition may wish to speak upon on that subject—whether it be now, tonight or, I suspect, next week.

Goods and Services Tax: Families

Mr BEAZLEY (2.31 p.m.)—Riveting though it would be, I am making no speech tonight—I do not know where that came from. My question is to the Prime Minister, and it recalls the exact circumstances of the one I asked last Thursday on John and Wendy. Prime Minister, are you aware of comments by Professor Ann Harding, whom you cited approvingly earlier this week, last night on PM regarding John and Wendy:

The $12 a fortnight better off is before the GST. We estimate they will be paying about $28 per fortnight GST. So overall they are about $16 a fortnight worse off before these new special measures that Senator Newman has announced will take effect.

Prime Minister, isn’t it the case that John and Wendy are ineligible for these special measures because their child was born in Decem-

ber? Prime Minister, given that a week and a backflip later John and Wendy are still worse off, when will you fix this problem?

Mr HOWARD—I did not hear the PM interview; I was having a chat to a few people last night. But in relation to John and Wendy and those matters, I refer the Leader of the Opposition to the many answers I gave to the many questions yesterday.

Workplace Relations: Trade Union Officials

Mr LIEBERMAN (2.33 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Would the minister advise the House whether the workplace relations policies of the coalition government provide special rights for trade union officials to assert their will over non-union employees and small businesses? Are there alternative policies being proposed which would give trade union officials more control over national policy making?

Mr REITH—The government do not believe in giving special privileges to minority groups. The reason we are not in favour of giving special priority to minority groups is that inevitably a large number of people miss out. For example, when the ACTU and the former Labor government were running the economy, low income people actually suffered a decline in their real wages from the start to the finish of about five per cent. As the ACTU has said, one of the proudest boasts of Australia in the last four years is that those very same people have had an increase in real terms of about eight per cent as a result of the policies introduced by this government. So we are not in favour of special deals for their mates, particularly as we have seen special deals for their mates when Labor has been in.

Labor have always been prepared to hand over power to their union mates, so students in New South Wales suffer in their educational opportunities because the Labor Party have given the education system to the unions. In Victoria, investors and the business community lose out and, in the end, jobs are lost because the unions have enjoyed special privileges, special powers, under the Bracks
government to get very good deals for themselves. Now we find that the Victorian government are seriously contemplating setting up a whole new industrial relations system just so they can give their union mates jobs in the new system—at a cost of $24 million plus. When we go from the state scene—whether it is Mr Beattie or Mr Bracks—to the federal scene, exactly the same thing is happening. So we find the whole of the front-bench of the Labor Party stacked with former trade union officials, including two former ACTU officials. The Leader of the Opposition defends his party rules which give unelected union officials control over the party platform.

Mr Horne interjecting—

Mr Speaker—The member for Paterson!

Mr Reith—Even last Friday he went down to the ALP executive and asked them to endorse a policy which was in fact drafted by the very same people running the executive—none other than the principal trade unions. The weakness of this leader is demonstrated by the words of my predecessor, Gary Johns, who was a minister for industrial relations. And what does he say? Well, he has blown the whistle on you big time. He says: Local branch members have no say in preselection. There is no sense of democracy in Western Australia. It has the most overwhelmingly union dominated preselection rules. Branch members are irrelevant. It is whatever the main union characters at the time think. Kim has been the major beneficiary, so he won’t try to change anything.

Mr Horne interjecting—

Mr Speaker—The minister will resume his seat. The member for Paterson will excuse himself from the House under the provisions of standing order 304A.

The member for Paterson then left the chamber.

Mr Reith—Mr Speaker, in the British Labour Party they had exactly the same problem and they decided, with Tony Blair, that they would adopt a mainstream policy, and Tony Blair had a lot of fights with the unions to adopt that. When Gough Whitlam was the leader of the Labor Party he said, ‘First we’ve got to reform the party. Then we go to the policies, and then we go to the people.’ A weak leader rolls over in the face of the demands of the trade union movement, and in the end as a result ordinary working people miss out. The fact of the matter is this: if it is tax policy, they roll over; if it is income tax policy, they are putting it up; and with the unions, they roll over again. The reality is that it is not in the public interest and in the end it is the ordinary people who suffer.

Goods and Services Tax: Defence Personnel

Mr Laurie Ferguson (2.38 p.m.)—My question is directed to the Prime Minister. Can the Prime Minister confirm that military superannuation pensions are only adjusted each July based on the previous March to March CPI rise, and that these pensions will therefore not be increased for the inflation effects of the GST until July next year—12 months after the event? Is the Prime Minister aware that ComSuper says on its Internet site that most recent retirees from the military will not be eligible for the government’s bonus payments for older Australians? Prime Minister, given that your GST compensation package clearly overlooks newly retired defence personnel, will you address this problem so that these personnel do not become another group in the growing list of GST losers?

Mr Howard—They don’t. Some of the circumstances of the question are obviously detailed. I do not have those details with me. I will get them and I will reply to the member. I can inform the House without checking that, if the amount of superannuation is above the tax-free threshold, the person in question will get a tax reduction, and you do not have to wait 12 months to get the tax reduction. In fact, you get it from 1 July. If the person is eligible for a savings bonus in any form, that person will also be entitled to claim that savings bonus. As for the adjustment of the superannuation, of course I do not carry those details with me. I will check and I will inform the member. But, quite apart from that, it is evident that the allegation in the question is wrong.
Industrial Relations: Awards

Mr SECKER (2.40 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Minister, what progress is the federal government making on the simplification of industrial regulation in Australia? What benefits are accruing to employers and employees from simplified industrial awards? What threats exist to the implementation of these policies, and do those threats include any alternative policies affecting workplace regulation?

Mr REITH—I thank the member for Barker. When we were elected there were 3,200 different federal awards. I am pleased to advise the House that, under award simplification, there are now only 1,800 awards and 425 of those have been simplified. This is real progress.

Mr Beazley interjecting—

Mr REITH—This is an area where the Labor Party said that this is something that should be done. Paul Keating was always telling international audiences that we ought to have award simplification, but, of course, it never happened under Labor because in the end they were not prepared to implement a policy which would provide benefits to the system. They say one thing to various international conferences, and they say another thing to the unions because the unions run the show.

Here in the ACT the clerks award is another example where benefits are now available to workers as a result of the government’s policy, which Labor knew they should introduce but did not because the unions would not allow them. When this particular award came up for simplification it was realised that for ten years the workers had been missing out on minimum rate adjustments. In other words, the union was failing to do its basic job and, because Labor was not prepared to get on with simplification, the workers were missing out. I am very pleased to advise the House that, as a result of award simplification introduced by this government, this award has been before the commission and, with a new classification structure in place, minimum rate increases have been up to $100 per week; a significant improvement in the safety net for workers—something that Labor knew should be done but never did, because the unions would not allow it.

To conclude, in Workforce this week there is a very good headline, ‘Award simplification helps ASU win $100 rise.’ The fact of the matter is that this was the government’s award simplification process in action. Not only did Labor not follow through with what they said was a good idea, but when they were in opposition they voted against the very measures which have seen wage improvements in terms of the safety net for workers. This was another classic case of the unions being comatose on the job—to use the words of the Leader of the Opposition. It is one of his favourite words. No wonder you use it, mate—half the backbench is comatose. It is your favourite word. You obviously have not read this article, and I table ‘The accidental leader’. I suggest the backbench read it.

Goods and Services Tax: Self-Funded Retirees

Mr EMERSON (2.44 p.m.)—My question without notice is to the Prime Minister. Do you recall quoting this week in parliament from tables produced by Professor Ann Harding to support your argument that everybody will be better off under the GST? Isn’t it the case that these Ann Harding tables show a single, self-funded retiree earning investment income of around $10,000 a year will be unambiguously worse off under the GST, as will self-funded retiree couples earning around $20,000 a year? If you still stand by your claim that no Australian will be worse off under your GST, will you establish a new scheme to prevent these self-funded retirees from becoming another group of losers under your GST?

Mr HOWARD—My recollection is that I quoted the Harding table in the context of the tax impact of the changes on typical families.

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition!

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition is warned!
Youth: New Apprenticeships

Mr ANDREW THOMSON (2.46 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister inform the House how New Apprenticeships is providing increased opportunities to young people? Is the Minister aware of any alternative policies in relation to this issue?

Dr KEMP—I thank the honourable member for Wentworth for his question. I know of his interest in quality training opportunities for the members of his electorate. This government has given top priority to providing expanded quality training opportunities for young people. The number of young people aged 15 to 24 in training as of 31 December last year was 182,300. That is 45,000 more than when the Labor Party left office. Young people comprise about 68 per cent of all new apprentices. We have increased greatly through our policies the number of places in TAFE. Over the four-year period an additional 160,000 places have been provided in TAFE for Australians seeking training. The number of young people in vocational education in schools has rocketed up from about 26,000 in 1995 to 136,700 this year.

The policies of the Howard government are providing greatly expanded opportunities for the 70 per cent of young people who do not go straight from school to university. There are no alternative policies on the record. The Labor Party has no alternative policies in this area. It exhibits complete policy lethargy under the Leader of the Opposition. This policy lethargy is the style of the Leader of the Opposition. When he was the Minister for Education and Training, the former Prime Minister Paul Keating had to step in and take over control of training policy, because nothing was happening in that area. As Helen Trinca of the Australian reminded us on 24 June 1992:

He has been unable to control the training agenda.... His failure to run hard on TAFE and training and kids and jobs has allowed the erosion of his position.

It was during that term of the Leader of the Opposition that we had youth unemployment at record levels at 34 per cent. We lost 20,000 apprenticeships in one year. The Leader of the Opposition has absolutely no interest in young Australians. He has no interest in providing more opportunities for young Australians. When Paul Keating stepped in and organised a youth unemployment summit, what was the contribution of Kim Beazley? The contribution of the Leader of the Opposition was to say that he thought young people had nothing to contribute to such a summit. He said he did not believe youth representation at the summit would be particularly helpful. Despite being the cabinet minister with portfolio responsibility for the issue, Mr Beazley said he did not think it was necessary for young people to be represented at the summit: 'having young people around telling us that is not necessarily going to be a big help'.

The Leader of the Opposition has got a long way to go in re-establishing his credibility with young people. We would like to see a much more positive response to the National Youth Roundtable than we have seen from you so far. The Leader of the Opposition has been pathetic in the education portfolio. The Prime Minister at the time ran over him in the Finance portfolio. The only portfolio he ever wanted to be in was Defence, and of course in that portfolio his main claim to fame was that he signed the contract for the Collins class submarine.

Mr Adams—Mr Speaker, I raise a point of order on relevance. The minister, in answering that question, has been attacking the Leader of the Opposition for the last five minutes with no relevance to the questions asked.

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

Mr Beazley—Don’t worry about it, Mr Speaker—

Honourable members interjecting—

Mr Sidebottom interjecting—

Mr SPEAKER—When the House has come to order, including the member for Braddon, I will call the member for Calare.

Petrol Prices: Competition

Mr ANDREN (2.50 p.m.)—My question is to the Treasurer. While the people of Orange, Bathurst and Lithgow obviously wel-
come the $500 million petrol scheme, they want to know what the government is doing to address the unfair city-country price differential. Can you explain why today Caltex at Mount Victoria in the Blue Mountains is charging 83.9c a litre for unleaded petrol while Caltex in Lithgow, just 25 kilometres down the road, is charging 93.9c—a full 10c a litre more—when Caltex says the cost of transporting petrol from Lithgow to Bathurst, a distance of 65 kilometres, is just 0.2c a litre? Hasn’t the decision to abolish the maximum endorsed wholesale price scheme and remove the ACCC’s powers to monitor wholesale petrol prices resulted in a total lack of transparency in petrol prices at the wholesale level and allowed petrol companies to effectively charge retailers whatever they want? Treasurer, motorists living in Lithgow and further west want to know what their government is doing to ensure the unfair petrol price gap is not retained but narrowed and made more transparent.

Mr COSTELLO—Let me say that for all of the years when the ACCC was actually setting the price you had that differential. This is not a new thing. I do not think you could say it was caused by that. In fact, the ACCC price has actually locked in differentials. If you will recall, that was the whole idea of the monitoring. The ACCC did an inquiry into the petrol industry. Do not hold me to the precise number, but I think it was the 28th inquiry into the petrol industry—

Mr Downer—The 40th.

Mr COSTELLO—I stand corrected—the 40th inquiry into the petrol industry in Australia over 20 years. What it found was that the country-city price differential is a factor of several things, one of which is the transport costs, obviously, out to the country.

Mr Fitzgibbon—0.2.

Mr COSTELLO—I do not know if you are supporting the government’s tax reform package, but under that of course diesel excise falls 44c, to 20c, which is bringing down the cost of transporting petrol.

Mr Fitzgibbon—I’m not talking about excise; I’m talking about diesel.

Mr COSTELLO—I think your constituents actually would be looking forward to you supporting the government’s tax policy and reducing the diesel excise. If you like we will go back through your voting record to inform your constituents whether or not you did. The second thing that the ACCC found was that there was a difference as a result of volumes. Obviously if you have smaller volumes then you have got to have a larger price differential. If you have larger volumes you can have a smaller differential. The ACCC in its 40th inquiry recommended that the government do a couple of things—first of all, that it get the oil companies to agree to offer a standard price to people who brought tankers to the gate, and that the price be open and transparent. The government actually got the oil companies to agree to that. Secondly, the ACCC said that we should abolish the Laidley agreement. You would recall the Laidley agreement, which was forced as a result of TWU blackmail action in the 1970s to keep independents out of the industry. The best way of abolishing the Laidley agreement is under the government’s 45D and 45E legislation, again something the Labor Party opposes—and we look forward to your support in keeping secondary boycott provisions in place.

The third thing the ACCC in its 40th inquiry recommended was that there be restructuring at the retail end, so that at the retail end you could get petrol stations with larger volumes and would therefore have to have lower margins. The other thing that it recommended was that we open up competition for new entrants. In particular, it said one of the benefits coming from new entrants would be if you got people like Woolworths into the industry that gave new competitive impetuses, and it noted that where Woolworths had come in it had actually taken prices down, but there was resistance on planning grounds from many country councils. One of the things that would be worthwhile supporting would be supporting, with country councils, changes to planning so that you would get new entrants into the retail level. The government got the agreement of all of that as part of also implementing a new oil industry code, which had been negotiated with the Motor Trades Association to protect the independent retailers.
I want to say that there have been some people in this parliament who have worked on petrol and really come to grips with it and understood it. In particular, I want to pay tribute to the member for Indi, who has probably done more work on this than anybody and who made sure that these recommendations of the ACCC were followed up. So the government was able to get to transparent pricing. The government was able to get transport reductions. The government was able to get measures in place against the Laidley agreement, and the government is pushing hard to open up entrance for new people. Where the government came to grief was in the deregulation at the retail end. When the recommendation of the ACCC was put to the Australian Senate to actually deregulate at the retail end so that margins could drop, it was opposed by a political party which was more interested in keeping up differential rates for rural and regional people than in acting on that recommendation and bringing the differential down. I say, without naming that political party, it was a totally opportunistic position that they took. They were not prepared to look after consumers. It was cheapjack opportunism in the Senate that led to that outcome. I give this undertaking to the independent member: if ever there is some leader in that political party and it forsakes cheapjack opportunism we will bring those measures back and we will be able to do something for people in country Australia.

Dairy Industry: Deregulation

Mr NEVILLE (2.57 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Minister, the federal government has responded to the dairy industry’s request for an adjustment package to help farmers deal with the industry’s move to deregulation. Given that all states agreed to introduce their own legislation in order to facilitate deregulation as well as take advantage of the federal government’s package, would you inform the House if any states have offered their dairy farmers any further assistance?

Mr TRUSS—I certainly can confirm to the House that all states agreed at the meeting of agriculture ministers in Melbourne last month to proceed to deregulate the dairy industry in their states. It is important to point out to the House that dairy deregulation is entirely a matter for the states. There is no legislation required of this federal parliament to deregulate the dairy industry. It is entirely a matter and a decision for the states. But the Commonwealth was concerned about the impact on dairy farmers, their loss of income as a result of deregulation, and so put forward a very significant adjustment package to support dairy farmers through these difficult times.

Mr Adams interjecting—

Mr SPEAKER—The member for Lyons!

Mr TRUSS—The package will relieve some of the pain that is going to be associated with that restructuring package.

Mr Adams interjecting—

Mr SPEAKER—The member for Lyons!

Mr TRUSS—The honourable member for Hinkler asked whether any of the states, in spite of the fact that they are all proceeding with deregulation, had actually volunteered to put up any of their money to support their dairy farmers. I am pleased to report to the House that the Western Australian coalition government have announced that they will be providing $37 million by way of compensation to dairy farmers. The Western Australian farmers will have the benefit of not only the Commonwealth adjustment package but now also assistance from their state government. Unfortunately, none of the Labor state governments have been prepared to follow suit. Perhaps it is time the dairy farmers in Queensland and New South Wales asked their state governments why they cannot follow the lead of the Western Australian government and do something to provide support.

Mr Adams interjecting—

Mr SPEAKER—I warn the member for Lyons.

Mr TRUSS—I was very interested to hear that in the state parliament in Queensland yesterday Henry Palaszczuk, the state Minister for Primary Industries, informed the parliament that their state had decided, reluctantly, to accept the Commonwealth’s of-
fer of $220 million in restructuring support for dairy farmers in that state; they are ‘reluctantly’ accepting that money. He went on to wax lyrically that this is the largest restructuring package ever put together for any industry in Australia and that the average amount of money the dairy farmers in Queensland will receive from the dairy industry package is $135,000. So he is very enthusiastic about this package, and he is ‘reluctantly’ going to accept it. It seems to me that perhaps the Queensland Labor Party have developed the Federal Labor Party disease of being against everything but reluctantly accepting it: ‘We’re against the GST, but we’ll keep it. We’re against private health, but we’ll keep it. We’re against tax reform, but we’ll keep it.’

Mr Sidebottom—He forced $85 million bucks out of you—that’s what he did!

Mr SPEAKER—The member for Braddon!

Mr TRUSS—‘We’re against dairy reform as well—

Mr Sidebottom interjecting—

Mr SPEAKER—The member for Braddon!

Mr TRUSS—but we’ll gladly take the money. We’ll do it.’

Mr Sidebottom interjecting—

Mr SPEAKER—I warn the member for Braddon!

Mr TRUSS—What is more, they are not prepared to do anything to support the dairy farmers of their own state when the regulations are removed. Once again, Labor are reluctant players in the field but happy to take the money and happy to take the benefits that this government is offering through its restructuring proposals.

Broadcasting: Productivity Commission Report

Mr STEPHEN SMITH (3.01 p.m.)—My question is directed to the Deputy Prime Minister, Leader of the National Party and Minister for Transport and Regional Services. Is the Deputy Prime Minister aware of the Productivity Commission’s report into broadcasting, tabled yesterday, which found that the government’s digital television plan was ‘at serious risk of failure’ because of the government’s proposed restrictions on datacasting? Is the Deputy Prime Minister also aware that the commission said these restrictions would ‘have a particularly severe effect on regional consumers who have limited access to other broadband platforms’? Deputy Prime Minister, given that the government’s policy has this adverse impact on regional Australia, will you be proposing changes to the government’s datacasting approach?

Mr ANDERSON—I thank the honourable member for his question. I am not in a position to comment in detail on the assertions that he raises. We will have a look at what he has claimed, and I will come back to him.

Regional Forest Agreement: Queensland

Mr CAMERON THOMPSON (3.03 p.m.)—My question is to the Minister for Forestry and Conservation. Minister, what problems arise from the forest industry deal between the Queensland government and certain environmental and industry groups with regard to both the environmental and economic impact? How does the integrity of this agreement, which will destroy jobs in my electorate, compare with regional forest agreements signed recently with the New South Wales and Victorian governments?

Mr TUCKEY—I thank the member for Blair for his continuing interest and representations on behalf of his constituents on this issue. I also thank the Treasurer and the Deputy Prime Minister and their cabinet colleagues for the announcements they have made on fuel in country areas. The forestry industry is very transport intensive, and the jobs that are at risk in many relationships of the new arrangements will be better protected if transport costs can be reduced. It is interesting that even the Queensland government will no doubt be reluctantly pleased to know that fuel costs and transport costs are falling. Within the agreement referred to, they have so messed up the distribution of resource that they are now having to use Queensland taxpayers’ money to pay transport subsidies to be able to deliver sawlogs to some of the mills to which they guaranteed that product.
At the time that the Commonwealth government was negotiating a regional forest agreement with the Queensland government, certain factors were known. At the time of the National Forest Policy Statement, the then Premier Wayne Goss suggested and agreed with the Commonwealth government that a $10 million plus $10 million package would be sufficient to deal with the problems that might arise. I put this in the context of the Premier running around his own state saying that, through acts of some of the federal backbenchers on this side of the House, Queensland has lost $36 million. That is a total untruth; his government only ever requested a $10 million assistance package from the Commonwealth. All of a sudden and for reasons that are not known to me, the Queensland government abandoned all the science, all the professional advice of their own department and of the Commonwealth experts, and decided to do a backroom deal. They succeeded in that by dividing up the spoils but not based on any scientific fact. They signed an agreement with some parties—the Wilderness Society, the Queensland Conservation Council, the Australian Rainforest Conservation Society and the Chairman of the Queensland Timber Board—to put together an agreement that they said was made in heaven. That particular agreement had as its objectives a commitment to conservation, sustainable forest management, an efficient timber industry and economic development creating employment prospects for rural communities.

Let us take that in reverse order and talk about employment opportunities. The agreement bought out the firm of Boral and gave them a reputed $14 million. Boral took Queensland taxpayers’ money straight down to Tasmania, where there is a parliament and a government that are supportive of forestry jobs, and they invested Queenslanders’ money in Tasmania. In the process 100 sawmill jobs went out the window. They are defunct. We were told not to worry about that, and the state government then listed a number of jobs that would replace them. Funnily enough, 241 of them had nothing to do with the hardwood industry; they involved the pine industry. The reality is that those jobs were unrelated. We then find that a series of other jobs that were referred to were similarly unrelated. The employment situation—

**Opposition member**—Sit down.

Mr TUCKEY—Isn’t it amazing that people start to say ‘Sit down’ when you argue the case for jobs for workers and yet those people are of the L-A-B-O-R Party?

Mr SPEAKER—The Minister for Forestry and Conservation knows that he is under no obligation to sit down until instructed by the chair.

Mr TUCKEY—Every time I raise the issue of jobs, start to give the statistics and explain how the Labor Party and all the backbenchers on that side never, ever contact me to protect the jobs of the people in their electorates, they start to squeal. It is a pity that they do not stop squealing and actually do something about it. They have a friend in me. I actually want to help their people keep jobs.

Rather than detain the House much longer, I want to touch briefly on the conservation issues. When scientists were working in Queensland, they told us that 338,000 hectares was the limit of the available productive forest and that you could get about 80,000 cubic metres of timber out of it. In fact, in its agreement the Queensland government closed down 425,000 hectares of forest, much of which was of higher productivity, but it is still guaranteeing the same amount of wood. The simple arithmetic says that either it is not there or it will have to deal with the forest in a very brutal fashion. Another part of the agreement says that no clear-felling is to be practised, yet at this moment to meet those contracts the government is clear-felling. What is more, the state minister, Minister Welford, has admitted to me personally that that is what it will do. The agreement fails on jobs and on conservation, and it will have to be rectified by a future government.

**Health and Aged Care: Departmental Records**

Ms MACKLIN (3.10 p.m.)—My question is to the Minister for Health and Aged Care. Minister, do you deny the evidence of your department that no minutes were taken of any of the six meetings held to negotiate a billion
dollar deal on radiology, with only verbal reports to senior officers; no record was kept of your discussions with radiologists on 6 May 1998; the email records for the responsible officers in both the minister’s office and the department have gone missing; no records were kept of the limited internal review undertaken by your departmental secretary about the budget leak; and the answers to 128 questions were submitted to your office by the due date of 3 March but you failed to pass them on to the Senate estimates committee?

Mr SPEAKER—The member will come to her question.

Ms MACKLIN—Minister, in the words of one of your senior officers, do we have to choose whether this is a ‘stuff-up’ or a ‘plot’, or does the public have to decide whether you are incompetent or engaged in a massive cover-up?

Dr WOOLDRIDGE—There are so many inaccuracies and false assertions that it is hard to know where to start. I would just say that matters of departmental process are being looked at by the Auditor-General, and presumably he will have something to comment on that. In terms of the volume of questions that come through from the Senate, if you examine the numbers, my department actually gets more than just about any other department. We try to comply, but the Senate gets unhappy when the answers are not actually bundled and come through in dribs and drabs. Finally, I do not concede at all, and have never conceded, that there was a leak of any information. In 15 months, you have not produced any information.

Mr Brereton interjecting—

Dr WOOLDRIDGE—It is interesting that the member for Kingsford-Smith should talk about villainy when we have the example of the McKell Foundation. Someone should ask who pays for his overseas trips.

Private Health Insurance: Rebate

Mrs MAY (3.12 p.m.)—My question is addressed to the Minister for Health and Aged Care. Would the minister inform the House of the support for the government’s 30 per cent rebate on private health insurance? Is the minister aware of any alternative plans for the 30 per cent rebate?

Dr WOOLDRIDGE—I thank the member for McPherson for her question. You can get support from strange quarters, but I was very pleased to get support from the former Labor Minister for Health, Graham Richardson, who yesterday morning said that our strategy to make younger Australians take out health insurance was working, which it is. In relation to private health insurance and public hospitals, he said:

I think if we can take a bit of pressure off that it would be terrific. It is something we must do.

I have also been receiving receiving letters from honourable members containing concerns from their constituents that the 30 per cent rebate might not continue. I can give honourable members an absolute assurance that this government has every intention of continuing the 30 per cent rebate indefinitely because of its great success. I can assure the member for Charlton, for example, who writes to me and says that two of her constituents are concerned that the government is planning to remove the private health insurance rebate, that I will be referring them to the speech in the House where she described the rebate that her constituents want as ‘an absolute disgrace’. The only threat is if she is re-elected.

Similarly, the member for Newcastle has written to me with a letter from two of his constituents, Albert and Norma, in Jesmond who are worried. They say:

We are most concerned about the fate of the 30 per cent rebate. Leave our rebate alone.

I will write to them as well and say that there is no threat provided the government stays in government. The fact is that the Labor Party has been negative and opportunistic on this the whole way. With 29 press releases from the shadow minister for health, every one of them has been critical of this most successful rebate. In the morning press I noticed that, in response to Medibank Private’s very successful new membership enrolments that are happening three months out from the cut-off date from lifetime health insurance, all the shadow minister can say is that we are running a scare campaign to force people into private health insurance. The only people that should be scared are the 35,000 people in her elec-
torate who have private health insurance and will be worse off if the ideological Left ever gets control of the health agenda.

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

QUESTIONS TO MR SPEAKER
Members of Parliament: Access to Information

Mr MARTIN (3.15 p.m.)—Mr Speaker, my question to you concerns access to information for members of this place. Are you aware that a phone call to the Deputy Prime Minister’s office will reveal that copies of the document Onroad Diesel and Alternative Fuels Grants Scheme: Boundaries for onroad schemes are not available to members of this place? Would you be prepared to make representations to the minister to ensure that information of this nature might be made available to us so that we can compare the accuracy of the maps contained in this document with the electoral maps that show the marginality of seats throughout Australia?

Mr SPEAKER—I will look at the matter raised by the member for Cunningham and report back to him or to the House, as appropriate.

Question Time: Length of Questions

Mrs GALLUS (3.16 p.m.)—Mr Speaker, while there is not anything in the standing orders specifically related to the length of questions, it has been the tradition of this House over the time that I have been here for questions to be kept to a very short point so that ministers can actually take in the questions without statements going on forever.

Mr Crean—Keep it short.

Mrs GALLUS—I have noticed that recently these questions are getting longer and harder to take in. Could you give us your ruling on this please, Mr Speaker?

Opposition members interjecting—

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition, having already been warned once today, will excuse himself from the House.

Mr Crean—that was an outrage.

Mr SPEAKER—The Deputy Leader of the Opposition!

The member for Hotham then left the chamber.

Honourable members interjecting—

Mr Downer interjecting—

Mr SPEAKER—The Minister for Foreign Affairs is warned.

PERSONAL EXPLANATIONS

Ms GILLARD (Lalor) (3.18 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Ms GILLARD—I do.

Mr SPEAKER—The member for Lalor may proceed.

Ms GILLARD—During question time yesterday, the Minister for Financial Services and Regulation accused me of being asleep at the wheel because a constituent of mine contacted the ACCC about Video Ezy. The truth is that no constituent of mine complained to the ACCC, but one of the complainants is a constituent of the Prime Minister’s in the electorate of Bennelong. Perhaps the minister might like to clarify who is asleep at the wheel.

Mr SPEAKER—The member for Lalor has indicated where she was misrepresented.

Ms BURKE (Chisholm) (3.19 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Ms BURKE—Yes.

Mr SPEAKER—The member for Chisholm may proceed.

Ms BURKE—During question time yesterday the Minister for Financial Services and Regulation accused me of being asleep at the wheel because a constituent of mine contacted the ACCC about Video Ezy—

Mr SPEAKER—The member for Chisholm raised this matter yesterday, as I recall.

Ms BURKE—There is some evidence that we have had since yesterday.
Mr SPEAKER—I will listen to the member for Chisholm, but this would not want to be a matter directly related to the issue that she raised yesterday where she was appropriately heard out.

Ms BURKE—It is an additional matter, Mr Speaker.

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

Opposition members interjecting—

Mr SPEAKER—If the member for Chisholm were denied the call, she would not have the chair to blame but rather those who have been persistently interrupting behind her. I had in fact recognised the member for Chisholm, and a point of order was raised by the Leader of the House. That sort of facility exists for anybody at any time and does not warrant any interjection from anyone anywhere in the House.

Mr Reith—My point of order is that the member has said that she has additional material to the matter raised yesterday. These procedures allow you first to demonstrate where you have been misrepresented and then to correct the record. I must say the previous contribution was simply a debating issue. There was no statement of where anybody had been misrepresented. There is none from the member for Chisholm, and on that basis it should not be proceeded with.

Mr McMullan—Mr Speaker, on that point of order: apart from the outrageous and untrue allegation about the member for Lalor—

Mr SPEAKER—The Manager of Opposition Business will come to the point of order.

Mr McMullan—I was trying to prevent another personal explanation about what he has just said about the member for Lalor. There is nothing that prevents the member for Chisholm raising an extra element of misrepresentation with regard to the same misleading answer by the minister. There is nothing in the standing orders that says you cannot be misrepresented twice by the same bit of misleading information.

Mr SPEAKER—So far as I am aware, no statement uttered by the chair would suggest that the member for Chisholm was in any way being frustrated in her task, other than my warning to her that she had to prove that she had been misrepresented in some additional way. I am not reprimanding the Manager of Opposition Business; I am pointing out that the member for Chisholm has in fact been, I hope, fairly treated by the chair at this point in time. She has an obligation to indicate where she has been misrepresented in some additional way.

Ms BURKE—The truth is that no constituent of mine complained to the ACCC about Video Ezy, but constituents of the members for Kooyong and Herbert did. Minister, who was asleep at the wheel?

PRIVILEGE

Ms JANN McFARLANE (Stirling) (3.22 p.m.)—Mr Speaker, I wish to raise a matter of privilege in accordance with standing order 95.

Mr SPEAKER—The member for Stirling may proceed.

Ms JANN McFARLANE—On 9 March, I placed on notice three questions, Nos 1238, 1239 and 1240. These questions concerned the operation of the Australian Taxation Office. In March, my office received a call from an officer of the Australian Taxation Office. Three matters arose which are of concern to me. Firstly, the Australian Taxation Office staff member asked what the motivation was behind my questions. Secondly, a request was made for me to provide details of the people who had raised the problems that I was pursuing through the questions. Thirdly, a request was made to the effect, ‘Would I consider withdrawing the questions?’

It will not surprise you, Mr Speaker, to be told that I did not withdraw the questions and I did not agree to provide the details sought by the Australian Taxation Office about my motivation and my sources. I consider that asking questions, whether in the House or on notice, is a vital part of a member’s duties. Equally, any interference with a member in these matters is, in my view, a serious matter. I ask therefore, Mr Speaker, that you consider the matter that I have raised as a matter of privilege and advise whether further action should be taken.
Mr SPEAKER—I will consider the matter raised by the member for Stirling.

QUESTIONS TO MR SPEAKER
Question Time: Length of Questions
Mr SPEAKER—The member for Hindmarsh raised a matter for me, the latter part of which I did hear above the noise that I then stood to contain in some way. Would the member for Hindmarsh reiterate the latter part of her concern to me?

Mrs GALLUS (3.24 p.m.)—I think I can encapsulate my question, Mr Speaker, by asking: would you like to give some indication of the length of questions you would take considering the practice in this place has previously been for short questions?

Mr SPEAKER—I am very happy to look at the comparison between questions asked during this parliament and questions asked in previous parliaments. I have in fact made an effort, as would have been evident today, to encourage people not to ask lengthy questions. If I find evidence of questions being longer than has been the practice, then I will indicate to the House that I intend the questions to be shorter. At this stage, I am not aware of them being longer than the questions that the House has faced in the past.

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.

MATTERS OF PUBLIC IMPORTANCE
Government Policies: Social Disadvantage
Mr SPEAKER—I have received a letter from the honourable member for Dickson proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The social disadvantage and exclusion in Australia resulting from government policies.

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—

Ms KERNOT (Dickson) (3.26 p.m.)—The last few months make it urgent to ask and reassess, yet again, what the balance has been for this nation—

Mr Reith interjecting—

Mr McGauran interjecting—

Mr SPEAKER—The leader of the House! The Minister for the Arts and the Centenary of Federation!

Ms KERNOT—of four years of John Howard and his government’s values. I am not talking about the balance sheets and numbers, like less than 10 per cent, with which the Prime Minister is so obsessed.

Mr McGauran interjecting—

Mr SPEAKER—The Minister for the Arts and the Centenary of Federation!

Ms KERNOT—I am talking about a different kind of balance—the balance of our society, the balance between rich and poor, the balance between privilege and disadvantage, the recognition that we live in a society, not just an economy. The Prime Minister’s record is one of social disadvantage and social exclusion.

Mr McGauran interjecting—

Mr SPEAKER—The Minister for the Arts and the Centenary of Federation is warned.

Ms KERNOT—This Prime Minister will be remembered in history for creating the largest group of socially and economically excluded people that this nation has seen. But what makes it even more reprehensible is that it was no accident and that it happened in times of economic growth. This government has systematically and deliberately targeted disadvantaged groups for social and economic punishment—punishment merely for existing, quite often. These attacks have been driven by a cynical, political calculation—Mr Howard’s belief that he needs to divide Australia to rule it. This week we have seen the deep felt offence, ‘How could you possibly suggest that I would play the wedge politics of division?’ He asked us not to think that of him. I say: let us look at the practice and implementation and the choice of policies of this government.
Just look at the last four months, for example. In the last four months we can see the attacks he has made on the unemployed through Minister Abbott. We can see the attacks he has made on social security recipients and on Aboriginal Australians. If in doubt, if you need another diversion, you can always wheel out Minister Tuckey to bash the environmentalists. It is a sure-fire winner! Beyond the politics of division, the Prime Minister specialises in stirring up resentment, mutual suspicion and intolerance between the winners and losers of his policy prescriptions. One of the most striking examples of this has been in the area of employment policy. Under this government, employment policy is characterised by private providers making money out of the unemployed. It is characterised by el cheapo and often non-existent training opportunities.

Using the strategy that Minister Abbott specialises in of 'an anecdote a day will prove any case', Minister Abbott seeks to trumpet the virtues of his Job Network. But what he fails to tell us is the number of people seeking work who are disadvantaged and excluded from the system by the prevailing ethos of private providers taking only the most easy cases because their private providers' margins depend on this. I receive letters and phone calls, as many of you do, almost every day from job seekers who are not job snobs but who are actually desperate to work and who know they need training and assistance to get a job. Let me give you two cases—two of my anecdotes from a file this thick.

The first one is Ronald from Brisbane. Ronald registered with a Job Network provider in July 1998. To date, he has not received one phone call or letter—not one—from them despite his repeated attempts to contact them. On 5 January this year Ronald again tried to call them, only to discover that they had moved location without notifying him and that he was no longer on their files. When he asked why he was no longer on their files he was told, 'Oh, we had a big sort out and threw out all our old files.' What better metaphor could there be for this government’s attitude: if they see you as a loser, they simply throw you out. If you are too hard to deal with, you do not exist. The end result of this far from isolated case was that Ronald gave up. He dropped out of the system. He is no longer registered with Centrelink. No doubt the government will claim victory for reducing the number of unemployed by one person.

The second example is Mark Millerick from Bundaberg who, when attempting to register with a Job Network provider, was told, 'Well, you’ll have to come in for an interview to see if you are worth registering.' Again, a perfect metaphor for this government’s attitude: let’s check if you are a loser first before we even admit that you exist and that you have a right to be registered for job assistance.

We believe that every Australian has that right. This Job Network has no transparent accountability or evaluation procedures in place, but private research has shown us that it has a number of very serious flaws. This no doubt was what the government’s own recent welfare report was referring to when it said about the Job Network that it was 'fragmented, disjointed and focused on uncoordinated program outcomes'. Where is ‘the anecdote a day’ to tell us about this? We have not heard it yet, have we?

This government’s own welfare report said something very important as well. It very clearly attacked the government’s deliberate practice of scapegoating the unemployed as being to blame for their own predicament. I will quote it because it is really worth quoting; remember, this is their own report. It said:

The Reference Group believes that there is value in recognising more explicitly the social contributions that people on income support already make. This recognition is important to validate social participation and to counter the popular stereotype of people receiving income support as passive non-contributors.

But what do we hear from Minister Abbott and this government? We hear the constant repetition of the negative stereotyping, the use of the labelling of ‘job snobs’, the use of an attack on a powerless group in Australia, the build-up of resentment against them to shore up its own political support in the wider community by practising the politics of
social exclusion. We hear nothing about this government’s failure to meet its own part of the mutual obligation contract that it imposes on our unemployed.

I am not just criticising the government’s approach without offering alternatives. I want to draw attention to a couple of the ideas that we put forward in our Workforce 2010. Importantly, it brings along all Australians. It does not accept the starting point of the market failure just leaving some Australians consigned to the scrap heap of unemployment indefinitely. Workforce 2010 seeks to upgrade the skills of Australia’s workers for the challenges of globalisation and to provide employment assistance on a needs basis. It has well thought through planning strategies to make sure that Australia’s workers and our unemployed are trained and retrained where necessary for the jobs of the future. It has innovative ideas, like early intervention to help people before they become unemployed. It has a different notion of a social contract, where employers as part of the wider community take some responsibility before they just absolve themselves of any responsibility, as they do now in many cases, for the long-term economic future of workers and their families.

One particular group for whom this government have done nothing are those Australians aged 45 and over who have borne a disproportionate share of the consequences of economic change, and nowhere can you see a starker contrast than between Labor’s approach to assistance and solutions for this group of Australians and this government’s approach. They have done practically nothing so far. What is John Howard’s forward looking agenda?

Mr DEPUTY SPEAKER (Mr Nehl)—The ‘Prime Minister’, please.

Ms KERNOT—What is the Prime Minister’s forward looking agenda? He was not the Prime Minister when he had this idea because it is a 20-year-old idea, Mr Deputy Speaker. The Prime Minister’s forward agenda has just a one-line item—the GST, a 50-year-old European tax and a 20-year-old John Howard, now Prime Minister, obsession. But you have to hand it to him: if you want to keep up your record on social disadvantage and exclusion, the GST is a great way to do it because this is a tax that makes it virtually a crime to be poor. Make no mistake: if you are an ordinary or low income earner or in receipt of a government benefit, you will be in big trouble on 1 July when the GST is introduced. The government’s so-called compensation package is woefully inadequate because, as we know, it is based on an average increase in prices of 1.9 per cent, yet all the major banks in Australia, all prominent economists as well as the Treasurer himself, state that prices will rise by at least five per cent after the introduction of the GST. If you are someone who is not in receipt of a tax cut or in receipt of only a modest one, your standard of living will fall.

But the starkest example is the government’s own and it is one that we touched on in question time. It is John and Wendy from the government’s own television ads. Last Thursday, Kim Beazley raised the fact that, if John and Wendy earned $30,000 and $28,000, respectively, and Wendy decided to have a child, the government would take away their partnered parenting payment, leaving them up to $63 a fortnight. Since then, we have had nothing but what you would have to call ‘flat panic’ from Prime Minister Howard. First, he tried to argue falsely that ‘Well, look, really they are $12 a fortnight better off.’ But he forgot to tell us about one thing—the little thing called the GST. Then he tried to ignore the problem. Then, if all else fails, he can get Senator Newman in the other place to announce a stopgap measure to compensate those made worse off.

But let me tell you, Mr Deputy Speaker, the problem with that measure: it stops on 30 September this year, but John and Wendy have their child in December. So one week, countless newspaper articles and a backflip later, John and Wendy are still worse off—and, on Professor Ann Harding’s figures, by $16 a fortnight. Furthermore, as we pointed out in question time today, John and Wendy could have two children over the next three years and never qualify for John Howard’s family tax benefit part B. So they will be worse off for three years, and John Howard thinks a three-month compensation scheme—
Mr DEPUTY SPEAKER—Order! Is the member for Dickson deliberately trying to defy the chair? I am sure you are aware of the standing orders. You will refer to members by their correct title.

Ms KERNOT—The Prime Minister thinks a three-month scheme is good enough, when John and Wendy—with no title, Mr Deputy Speaker—will be worse off for three years. For four years, we have had the basest wedge politics in this country. Contemporary proof of that I cited at the beginning—the deliberate targeting of the disadvantaged in our society. We have had all of this from a government whose policies creak with the smug arrogance of selfish individualism; in other words, you look after yourself and, if you are lucky, some of it might trickle down to the rest of you.

We believe that policies of social inclusion are a long-term investment in our nation, an investment in a tolerant social democracy. Social inclusion includes, at its most basic level, a genuine exchange of ideas among people of all walks of life. This intolerance of difference, this scapegoating of the disadvantaged, this intolerance that stifles dissent by cutting off funding to anyone who dares to speak out, continues to promote division of the worst kind.

The Prime Minister John Howard’s Australia is a divided Australia. I believe that it is an Australia with a heavy heart and a yearning of spirit. The Prime Minister speaks nearly always of material things, of dollars. He does not understand indigenous connection to land. He does not understand this nation’s spirit, in my view. I believe that our nation is yearning for leadership that rises to the challenge of a generosity of spirit, and a government that is sincere about governing for all of us. By mouthing the words of tolerance but practising the politics of exclusion and disadvantage, the Prime Minister is destroying the spirit of our nation.

Mr BARRESI (Deakin) (3.41 p.m.)—What a pleasure it is to be following the member for Dickson on her comeback—the major comeback of the member for Dickson. We had 20 questions in question time, but not one was asked by the member for Dickson on the subject of this MPI. That must be the first time for a long time that, when a matter of public importance is to be called on in the House after question time, the shadow minister fails to ask a question in question time relating to that MPI. Further, 15 of her shadow ministers walked out on her when she got up on her feet to speak. Fifteen of them; that is a mark of solidarity! That is a mark of their saying, ‘We’re right behind you, Member for Dickson; we’re right there with you!’ We had the opposition leader, Mr Kim Beazley, walk out. We had the member for Hotham walk out. We had the members for Batman, Hunter, Paterson, Dobell, Barton, Watson, Cunningham, Banks, Corio, Bowman, Perth, Lilley and Wills all walk out on the member for Dickson. Why? Because she has made no contribution to the ALP. She has made no contribution in the House of Representatives. She botched up the portfolio of shadow minister for regional services; she could not handle it. So she went to her leader and said, ‘Kim, please, get me out of here. I need another portfolio. Give me something that I can put my hands around.’ So now we have her in employment and training.

Ms KERNOT—Mr Speaker, I rise on a point of order. I draw your attention, Mr Deputy Speaker, to the subject of the matter of public importance. It is not about me; it is about the government’s policies. I do not believe what the member is saying at the moment is at all relevant.

Mr DEPUTY SPEAKER (Mr Nehl)—The member for Deakin will be relevant to the matter before the House.

Mr BARRESI—Of course, Mr Deputy Speaker, to the subject of the matter of public importance. It is not about me; it is about the government’s policies. I do not believe what the member is saying at the moment is at all relevant.

Mr DEPUTY SPEAKER (Mr Nehl)—The member for Deakin will be relevant to the matter before the House.

Mrs De-Anne Kelly—Mr Speaker, I rise on a point of order. As a deputy speaker myself, I am not presumptuous in advising you, but the previous speaker, the member for Dickson, spoke very broadly in her address and, in fact, referred to the Prime Minister several times. Quite obviously she set a precedent in this debate.

Mr DEPUTY SPEAKER—I thank the honourable member for Dawson. I am quite aware of what the member for Dickson said. There is no point of order.
Mr BARRESI—Thank you very much, Mr Deputy Speaker. Of course, I certainly concur with the fact that this is a wide-ranging debate. All you have to do is look at the words: ‘the social disadvantage and exclusion in Australia resulting from government policies’. Who proposed it? The member for Dickson; portfolio, shadow minister for employment and training. Did she speak about employment and training? There was about 30 seconds worth on employment and training, and the rest of the time it was some sort of diatribe from 10 years ago. She was harping back to some sort of motherhood speech from an ideology of 10 years ago. She is struggling, as she struggled with her Workforce 2010. Today was an opportunity for her to try to regain some sense of credibility in the eyes of her colleagues.

Ms Kernot interjecting—

Mr DEPUTY SPEAKER—Order! Member for Dickson, you were heard in silence.

Mr BARRESI—Also, it was an opportunity for her to try, once again, to gain one more line in the press on her Workforce 2010 program, which of course was resoundingly ignored by the press. It has been an abject failure, as has been her performance in this particular shadow portfolio. Workforce 2010 purports to provide a road map for the jobs of the future, but in fact it presents—

Government members interjecting—

Mr BARRESI—It is her MPI and she has walked out! She has walked out on her own MPI. That is an absolute disgrace. She cannot handle criticism of her performance in her own MPI. If she could handle it, she would be here to listen to the debate on her own MPI. She is a glass-jawed shadow minister. She said, ‘Get me out of the portfolio of regional services,’ and now ‘Get me out of this chamber because I can’t handle the criticism.’

So we have a road map which is an abject failure. It presents only a sketch of future job prospects, adding little to what we already know—and we know very, very little about what the ALP’s program is in the area of unemployment, let alone in any other area. I am glad to see that one member of the opposition frontbench has joined us, but where is the proposer of the debate? I ask her to come back here and listen to this debate, her own debate.

Mr Leo McLeay—Mr Deputy Speaker, the honourable member seems to want an audience, so I am tempted to draw your attention to the state of the House, if she does want an audience.

Mr DEPUTY SPEAKER—The honourable member for Deakin has the call.

Mr BARRESI—I am glad to see also that the Chief Opposition Whip is in the chamber. He was not in the chamber when the member for Dickson spoke.

Mr Leo McLeay—in that case, Mr Deputy Speaker, I will draw your attention to the state of the House.

The bells being rung—

Mr Tuckey—Mr Deputy Speaker, I draw your attention to the fact that a person with a background of Speaker of this House actually recognised the lack of a quorum, made a note of it, which will appear in Hansard, and then did not request you to take action thereon. He seemed to think that he could use it as a threat. I would ask that you give some consideration as to whether or not he offended against the rules of the House.

Mr DEPUTY SPEAKER—I thank the minister. I am certain that he did not offend against the standing orders. There is no point of order.

(Quorum formed)

Mr BARRESI—I am glad to see also that the Chief Opposition Whip is in the chamber. He was not in the chamber when the member for Dickson spoke.

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Mr DEPUTY SPEAKER—I thank the minister. I am certain that he did not offend against the standing orders. There is no point of order.

(Quorum formed)

Mr BARRESI—It would be interesting to have a debate on Workforce 2010, if the member for Dickson came into the chamber. It is a report that has received very little publicity. It has been a failure as a working document and, once again, highlights the fact that the opposition have no policies and are struggling to get some sort of attention out there in the public or acceptance for their positions. So, of course, their response is one of negativity.

I contrast that for a moment with what has been happening in the last two days in the Main Committee with the youth roundtable where we have brought together 50 young people from right around Australia. The member for Dickson talks about the social
disadvantage and exclusion in Australia. One of the groups in this country that was disadvantaged and excluded under the former Labor government was the young people of this country. Under Labor, up to 34 per cent of them were unemployed. We have up there in the Main Committee young people who are employed, young people who are unemployed and indigenous Australians—those who are trying to make a go of their lives. They have come here to have dialogue with the government to find solutions to help build this country.

What do we see when we contrast that with the Australian Labor Party? The only thing they can come up with is scaremongering, policies which have no substance and, of course, total negativity. One particular statement by one of the youth at the roundtable, I believe, certainly sums it all up for many of the people in this chamber, and I believe he comes from Queensland, from the member for Dickson’s own state. Daniel Hyden said, ‘We are here to discuss our future. We are here to certainly contribute to this country. What stands in front of us is the future. It is a future which obviously yet has not been set. There is future out there for moulding. There is future out there for the young. There is future for all of us.’

They are willing to engage in dialogue with the government to help overcome the 13 years of disadvantage created by the former Labor government. Yet the Leader of the Opposition, as we found out today during question time, basically thumbed his nose at those young kids saying, ‘We don’t want to listen to you.’ The Australian Labor Party only wants to listen to the union movement, that irrelevant body of people that now has only 20 per cent, and declining, of the entire workforce as members of its ranks. I salute guys like Daniel Hyden and the other six from Queensland. I would like to say to those Queenslanders at the roundtable: contact your federal member for Dickson, a member from Queensland, and tell her what you think, and see what she says.

Under this government we have addressed many of the disadvantages that the previous government wrought on this country. We have seen a lot being debated in recent times about rural and regional Australia. No area in this country has suffered as much as that particular group of people due to forces outside their control and also due to forces which were in the control of the Australian Labor Party. The Australian Labor Party still does not know where regional Australia is. That probably tells us why the member for Dickson moved portfolios, because she too did not know where regional Australia was located. She had no idea where it was located. Yet we are finding government responses in every portfolio to cover that particular group in Australia that has been disadvantaged.

The ALP have two responses—one at a federal level and one at a state level. At a state level their response is, according to Carr: set up a ‘Country Labor Party’ as a way of trying to help the disadvantaged in rural Australia. At a federal level their response is: the member for Hotham and the member for Batman will go out there and fly the flag for the opposition. When they go out there they will be told in no uncertain terms that the high interest rates which were left by the Australian Labor Party, the high levels of unemployment left by the Australian Labor Party and their lack of ability in finding alternative markets for primary producers forced many of those primary producers into debt, forcing them to leave their land. Many of them are still paying for the Australian Labor Party’s legacy.

I want to return for one moment to the member for Dickson’s own shadow portfolio just to remind her what it is: employment and training. No greater example can be found of what this government is doing than in the area of employment and training. No greater example can be found of what this government is doing than in the area of employment and training. Greater opportunity is being given to unemployed people, whether they be young people or of mature age, to try to find a job and reconnect with a career, with a lost opportunity, which opportunity was not there under Labor. We are seeing the economy growing, which adds to that increasing level of job opportunity. The member for Dickson can talk about us as being an economically based party, but that is to ignore the essence of the foundation of opportunity—that is, a strong economy with high levels of employment and low levels of interest rates. We have delivered on those
three areas and all that the opposition can do is whinge and carp and be negative all the way through.

I look forward to this government continually bringing in policies and reforms which help to address the disadvantaged, and an example of that will be found in the new tax system, which will come in on 1 July, and the benefits that will flow through to Australian families and all people in this country. In closing, I cannot allow the opportunity to go past to condemn the member for Dickson for not being here for her own MPI. Shame, Member for Dickson—shame!

Ms GERICK (Canning) (3.56 p.m.)—Like all members on this side, I have been dismayed and upset to see the impact that government policies continue to have on people who live in electorates like mine. The policies are not designed to assist or improve the living conditions of those who are unemployed or disadvantaged. It seems to be the policy to blame the people for any problems they may be experiencing. In recent weeks the unemployed have been told that they should take any job they can get. Before I entered parliament I worked with people who had been long-term unemployed. Anyone who has lever arch files full of rejections is going to lose confidence. They are going to get dismayed and they are probably going to give up.

Rather than punishing those who cannot find work, the government should be introducing policies that assist. The Work for the Dole program is not enough by itself; there must be training to go with it. As someone who helped unemployed people with training, I know it is the real answer. People need skills, not just any job. If people lose their self-confidence and do not believe they have a future, there is little encouragement for them to continue looking for work. For those who do try, it is being made increasingly difficult. It is as though the government believes that these people are deliberately going to rip off the system if we give them only half a chance so let us make it more difficult. A constituent rang my office to say that when he went to get the employers to sign the forms to say that he had applied for jobs with them they said, ‘Terribly sorry—we cannot sign this form. We are a subsidiary agency.’ At the end of a fortnight he could not get the right number of forms in, so he was going to lose his benefits. That is not making life easier for someone who is struggling to support a family.

We have heard this week of changes to the Job Network system. Some centres are open for only two hours each day and we have been told that that means people would have to travel up to 11 kilometres to access another service. We have been told that some centres moved and did not tell people where they had gone. In the regional area of my electorate, there is no public transport, so people living there do not have a chance to get to their local Job Network centre, let alone find it open if they could get there.

The great risk of policies which alienate and punish those who are having a tough time is that there is an increase in social breakdown. One of the issues that we have dealt with regularly in this place is the concern we all have with the increase in the use of drugs by young people. If you do not believe that you have a future, you do not really have much inspiration to take care of yourself. If you think there is an escape, even if it is a temporary one, you may well be tempted to turn to drugs. We all know that the increased use of drugs is one of the major factors in the increase in crime. If you do not have money, and you have a habit, the easiest solution is to steal.

By not having policies to overcome this feeling of social isolation the government is doing nothing to assist the underlying problems. Education has always been the means by which the sons and daughters of the poor can improve their chance of escaping poverty and getting a real job. The answer is not to test literacy standards. There is no point knowing people are struggling with reading and writing if you are not going to provide money to assist those schools where the problems exist. The answer is not to close Skillshares and make it difficult for the job networks to provide training. We all know that the way the funding has been set up for job networks means that employers are not going to want to send the unemployed to training, because their profit margin is al-
ready almost zero. We all know that training is essential if we are going to give people hope.

The major policy initiative of this government is to introduce the GST—apparently the answer to all our problems. The problem is there is no-one on this side of the House who believes that average people, people on fixed incomes, John and Wendy, those on social security benefits or students are going to be better off. We all know that normal, average people on fixed incomes are going to suffer. We all know that the people who will benefit from the new tax system are the wealthy. It is those who have large disposable incomes who will be able to control their spending to minimise their losses. For a pensioner who has no control over the amount of disposable income, the compensation is irrelevant. Already almost all of their income is spent on the basics of living, not luxuries. A four per cent increase will not be enough to cover the increases of the GST. The phone account will go up. The electricity and gas bills will go up. Public transport costs will go up. People living on fixed incomes do not have a choice as to how they spend their money, and the government is doing nothing to help those most at risk.

The only group of people the government has chosen to punish with a tax on their rent are those who live permanently in caravan parks. These people are not tourists. They typically live on fixed incomes, and the decision of the government to make them pay five per cent GST on their rent is an unjust one. Nearly 3,000 people signed a petition in Western Australia asking the government to review its decision, but we all know that no exceptions will be made and those living in caravan parks are going to be punished because of where they live.

Others from among the many groups who will suffer from the introduction of the GST are the many charity groups. All of our communities rely on the good works done by many volunteers living where we do. These groups are now confronting the demands of the GST. One group I visited recently had managed to get a business to sponsor some of their programs. They were very excited about this because, already before the GST, they had been facing having to cut back some of their programs. When the CEO went off to read her GST manual, she was told that, because that sponsorship was going to be acknowledged on letterhead, it would incur the GST. So the value of that sponsorship has already decreased. Businesses are not going to want to donate to or sponsor programs unless they get some form of recognition. The government is again penalising charity groups. Those volunteers who spend many of their free hours working to improve the lives of others are starting to question whether their work is worth while and whether it is valued by this government. They are saying, ‘Maybe it is time to give up.’ Volunteer boards of management are becoming aware that the years they have spent building up valuable services for our community are under threat now. Typically, every bit of money they receive is allocated to providing services for those who need it; now when you speak to them they are starting to say that they will probably need to cut back on these services. Which one is it they cut? The lawnmowing service for the elderly? The service where they help the elderly and frail bathe at home? We all know there is no place for such elderly people in a nursing home. But the government does not care.

The excuse offered by the government is that ‘these charities are GST exempt.’ But we know that in the past all they had to do was tick the box that said ‘sales tax exempt’; now they have to complete the same amount of paperwork that businesses do—and that of course is the real problem with this government. It wants to run our country like it is a business. It believes that by making it easier for the wealthy the crumbs will fall off the table to those living below. But we have a message for the government. We do not want our country to be run in this way; we want a compassionate society where those who are struggling are helped, not punished; where those who spend hours of their time helping those who are less well off are encouraged, not punished with seeing their good works diminished and threatened with fines if the paperwork they complete for the GST has errors.
The rewards that Australians were promised by the government have not been delivered. Interest rates have increased again. Unemployment in Western Australia increased last month. There were 2,900 fewer people working, and the youth unemployment rate continues to rise. The answer is to make Australia a united country, one where we have always valued the fair go for all, and it does not include a GST, which will hurt the most vulnerable. It does not include privatisation, which continues to reduce the services to those living in country Australia. It does include giving all Australians equal access to education, training and assistance when needed. The policies of the government are failing.

Mrs DE-ANNE KELLY (Dawson) (4.06 p.m.)—I must say I was surprised by the first speaker in the MPI debate today. I had expected a very detailed overview of concerns about employment and work. I had expected to hear some figures, some policies, some ideas. What I heard was not wedge politics, which we have been accused of using, but whinge politics—no figures, no policies, no ideas. What we have is whinge politics. We had a talk about winners and losers, and I will talk shortly about winners and losers. All the winners are under the government’s policies. Firstly, I want to address the idea that was put forward that quite rightly social inclusion and concern for low-income earners should be part of a government’s program.

I want to refer now to an article in the Australian Economic Review by Mike Nathan. He wrote about the book Civilising global capital—which I am sure you have all read—by Mark Latham, the thinker in the Labor Party. As for social inclusion and those on low incomes here is what he had to say:

The key to social cohesion is economic opportunity, as Latham correctly points out. The main way to create opportunity is economic growth and wealth creation. Latham wants government to concentrate its resources on three tasks: provision of skills and infrastructure; providing income and job protection; and providing what he calls social capacity. Nowhere in the book does Latham argue for a larger government sector.

Mr Price—I rise on a point of order, Mr Deputy Speaker. Honourable members should refer to members by their seat and not by their name.

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The honourable member will resume his seat. The honourable member for Dawson will refer to honourable members by their titles.

Mrs DE-ANNE KELLY—I was in fact quoting from a written work, but I will remember your advice, Mr Deputy Speaker. Mike Nathan goes on to make the following point in his article:

The evidence shows a positive relationship between economic growth and the growth in income of low income groups. Bates 1997 found that low income earners tend to be better off—indeed much better off—in countries with higher economic growth and higher levels of economic freedom.

So much for whinge politics. These ideas are not unique to Australia. The Labor Party, of course, is very fond of quoting Prime Minister Blair. I again quote Mike Nathan from the Institute of Public Affairs:

In common with Prime Minister Blair in the United Kingdom and President Clinton in the United States, some economic liberalism is good and markets are often the best way to allocate consumption and production. They also reject the socialist agenda of government managed ownership control of capital and trade.

It seems that the government’s approach is one that is readily endorsed in the third way by Blair’s government.

I would like to refer—and again we are talking about whinge politics—to the United States. In the United States the Clinton administration has limited families to two years welfare at a time and five years in total. Across the Atlantic in Britain the Blair government’s new deal proposes radical means testing for disability pensioners and even benefit reductions for those who do not attend a job assessment. In New Zealand job seekers must perform unpaid community work or training for up to 20 hours a week or lose half their benefit. Actually, it seems that those who adopt the third way are a great deal more focused than those in the opposition.

Now I would like to talk very briefly about the labour market reforms and employment—
something that was not actually mentioned in the address from the other side. I have looked for figures and for proof of the assertions that were made and, regrettably, there were none. First of all, let’s talk about scapegoating the unemployed, because it happened prior to 1996. The Working Nation program failed. Labour market programs left three out of five people still unemployed. Let’s look at New Work Opportunities. Five hundred million dollars was spent on New Work Opportunities—half a billion dollars—and guess what the success rate was? It was four per cent. You would not invest in something that gave you a four per cent success rate, but the Labor Party did. It cost taxpayers $143,000 for each new job it created, but worse than that, it churned the unemployed back and forth between programs; getting their hopes up that at last their opportunity had come and out again into the short-term and the long-term unemployed. If you want to talk about scapegoating, that is scapegoating—giving the long-term unemployed false hope and churning them around.

I turn now to look at some of the things that we have done. We have increased total employment to a historic high of 8,928,400 jobs. I love saying that figure. That is up by 623,900 from Labor. That jobs growth is twice as fast as the jobs growth under the Labor Party. Full-time jobs have also been the coalition’s hallmark and 75 per cent of jobs have been new full-time jobs, which is a great achievement. But the unemployment rate is the most telling and that is the thing that most Australians look at. It is certainly a concern to them, and rightly so. We know under the Labor Party that they brought us to record levels of unemployment since the depression. The coalition has cut unemployment to seven per cent in December 1999 and, more particularly, it has been cut in regional Australia as well. The largest falls in unemployment were in non-metropolitan regions.

I want to talk now about giving hope—about winners and losers. Churning people is one thing. Among the things that we have done—and they are a mark of pride for the coalition—are Work for the Dole and Green Corps. We have not seen any encouragement from the Labor Party. Let me talk about Work for the Dole because we have quite a lot of programs in our area. When the young people start, I go out to see them and to wish them well with their six months work. You can see it in their faces. They are awkward. They have waited a long time for an opportunity. They just do not have the self-esteem. At the end of their period in the Work for the Dole scheme, they are an entirely different group of kids.

Mr Ronaldson—But Cheryl wants to ban them; she wants to take them out.

Mrs DE-ANNE KELLY—The coalition whip is absolutely right. The Labor Party wants to take it away. When these kids come back, they are proud of themselves. They have worked as a team and picked up skills. Their parents are there and the parents often say to me that they have never seen such a change in their child. At home they are enthusiastic and preparing their resumes. They are a new person. That is not scapegoating the unemployed. What the Labor Party did was scapegoat the unemployed and churn them around. We are giving young people an opportunity, hope, experience and some pride in themselves. In the following year 50,000 places will be allocated to Work for the Dole and likewise for Green Corps. What a great opportunity for young people.

Let’s talk about Job Network because we have heard some letters read out about Ronald and Mark. I have some sympathy for Ronald and Mark, but I say that probably Ronald and Mark would not have done any better under the Labor Party. Let’s talk about Job Network for the moment. We have seen that under Job Network there are far more sites available now for people to go to for the opportunity of working. In my area now we have got eight Job Network providers—as opposed to the CES which handled only 20 per cent of job vacancies. They provide training, and not just for some, as was asserted by the other side. They provide training for everybody, particularly indigenous people in our area and those who have been long-term unemployed—those who are disadvantaged in some way. The opportunities are there. We have made it happen. We are into building a better Australia, not just for
those at the top of the tree but for everybody. We are not into wedge politics, and we are certainly not into whinge politics, which is what the other side is bringing to this.

I want to mention John and Wendy for a moment, too. The reality is—the Labor Party is concerned about this—that after 1 July concerns will diminish, as I am seeing in my area. People are looking forward to having more money in their pocket, and that is what will happen. It will be very disappointing for you after 1 July because people will have more money in their pocket. It will be like the Y2K bug: people will wonder what the fuss was about.

Mrs DE-ANNE KELLY—I am looking forward to 1 July because you are not going to have anything to talk about except whinge politics. The Labor Party is going to have a tough time. They will be the only ones disadvantaged after 1 July because they will have no policies and nothing to whinge about.

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

FUEL SALES GRANTS BILL 2000

First Reading

Bill—by leave—presented by Mr Costello, and read a first time.

Second Reading

Mr COSTELLO (Higgins—Treasurer) (4.17 p.m.)—I move:

That the bill be now read a second time.

At the last election the government announced in its policy ‘Tax Reform: Not a New Tax, a New Tax System’ that it would reduce the excise on petrol and diesel on the introduction of the goods and services tax.

For businesses, which will get an input tax credit for GST, this means the cost of petrol and diesel will fall by around 10 per cent.

The government is also, through a grants scheme, reducing diesel excise on medium and heavy transport from around 45c per litre to 20c per litre—of direct benefit to rural and regional Australia.

Rate of excise must, under the Australian Constitution, be set at a uniform rate. By reducing the excise before applying GST, based on the metropolitan price, the price to the consumer need not rise. To ensure that petrol prices need not rise for the consumer in regional or remote areas who pay higher prices than the metropolitan price, the government is introducing a new grant system targeted to consumers in non-metropolitan and remote areas. It allows a tiered system of grants to be paid for sales to consumers in non-metropolitan areas, with a higher rate of grant provided for sales in remote areas.

As a consequence of this grant scheme, for consumers in regional and remote Australia fuel prices as a consequence of GST need not rise. And, in addition, for business users costs of the use of fuel in their business will fall by around 10 per cent, and for transport to rural and regional areas the diesel excise will fall from 44 to 20c—direct benefits to rural and regional Australia.

The government will continue to monitor fuel prices in the lead-up to 1 July 2000 to set the grant rates, and fuel retailers will be expected to pass on to consumers in full the benefit of the fuel sales grant.

Details on the grant rates, entitlements and payment mechanisms will be prescribed in the regulations to the legislation.

The scheme is expected to cost around $500 million over the next four years and will provide major benefits to users of petrol and diesel in remote and non-metropolitan areas. This is in addition to the significant fall in the fuel cost to businesses in these areas under tax reform due to the availability of GST input tax credits, the expansion of the Diesel Fuel Rebate Scheme and the introduction of the diesel and alternative fuel grants scheme.

This bill, the Fuel Sales Grants Bill 2000, is one of three bills that are required to implement the fuel sales grant scheme. Together with regulations contemplated by the bill, it will confer the entitlement to the grant on eligible claimants.

The provisions of the Fuel Sales Grants Bill 2000 are to commence from royal assent. The government anticipates that the bills will be enacted well before 1 July 2000 so as to avoid any undue delay in implementing the scheme.
Full details of the measures in the bill are contained in the explanatory memorandum. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Brereton) adjourned.

PRODUCT GRANTS AND BENEFITS ADMINISTRATION BILL 2000

First Reading

Bill—by leave—presented by Mr Costello, and read a first time.

Second Reading

Mr COSTELLO (Higgins—Treasurer) (4.21 p.m.)—I move:

That the bill be now read a second time.

This bill, the Product Grants and Benefits Administration Bill 2000, is the second of a package of three bills that are required to implement the fuel sales grants scheme.

This bill will provide a standardised administrative framework for grants and benefits administered by the Commissioner of Taxation. It provides for matters such as the registration of claimants, the claiming and assessment of grants, the making of advance payments, the record-keeping obligations of claimants, and measures to promote compliance with the grants and benefits law.

The provisions in this bill are to commence from royal assent.

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

I commend the bill to the House.

Debate (on motion by Mr Brereton) adjourned.

FUEL SALES GRANTS (CONSEQUENTIAL AMENDMENTS) BILL 2000

First Reading

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

Second Reading

Mr COSTELLO (Higgins—Treasurer) (4.23 p.m.)—I move:

That the bill be now read a second time.

This bill, the Fuel Sales Grants (Consequential Amendments) Bill 2000, is the third of the package of three bills that are required to implement the fuel sales grants scheme.

This bill will amend the Taxation Administration Act 1953 to ensure that the provisions which apply generally to acts administered by the Commissioner of Taxation will apply appropriately to the new grants and benefits laws. These provisions include those relating to prosecutions and offences, the general interest charge and the collection and recovery of tax-related liabilities.

The provisions of this bill are to commence at the same time as those in the Fuel Sales Grants Bill.

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

I commend the bill to the House.

Debate (on motion by Mr Brereton) adjourned.

BILLS RETURNED FROM THE SENATE

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

Australian Wool Research and Promotion Organisation Amendment (Funding and Wool Tax) Bill 2000

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

Report from Main Committee

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

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.

Third Reading

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

POOLED DEVELOPMENT FUNDS AMENDMENT BILL 1999

Second Reading

Debate resumed from 11 April, on motion by Mr Entsch:

That the bill be now read a second time.

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (4.26 p.m.)—in reply—I
would like to thank all of those members who contributed to this debate on the Pooled Development Funds Amendment Bill 1999.

First of all, I would like to thank the member for Fraser for supporting the reforms contained in the bill and recognising the PDF program’s role in promoting innovation. In particular, I welcome the opposition’s support for a bipartisan approach to encouraging venture capital investments in Australia. However, the shadow minister should recognise that the government is doing many things to stimulate innovation by Australian firms.

Indeed, I was very grateful for the member for Curtin’s comments, which highlighted the good work that the government is doing to stimulate innovation and investment. These initiatives include not only creating an internationally competitive tax system but also specific reforms to encourage innovation, such as implementing the innovation investment funds, IIF, program; establishing the Commercialisation of Emerging Technologies, or COMET program; introducing the Venture Awareness program; holding the National Innovation Summit; and introducing the Building on Information Technology Strengths, or BITS, program, which was announced the day before yesterday.

I would also like to thank the member for Hunter for pointing out the importance of the bill in assisting small to medium sized firms to access equity capital. I would like to assure the member that this bill will help such firms meet the challenges of operating in an increasingly globalised environment. The member for Pearce also contributed well by highlighting the nature of the bill’s reforms and pointing out that small business will benefit substantially from the changes, as they will from other government initiatives, such as those relating to the tax system.

I thank the member for Gellibrand for her support of the bill and for pointing out the wealth of information which is available on the PDF web site to assist investors and small to medium sized businesses. I note that the member for Gellibrand highlighted the value PDFs could play in promoting regional development. I am pleased to say that regional PDFs have already been established in Tasmania and in the Hunter region, and there is no reason under the program why one could not be set up in the member for Gellibrand’s electorate in western Melbourne.

I would also like to thank the member for Eden-Monaro for emphasising that by getting the investment climate right the government has provided the basis for strong growth in investment in recent years, including funds under the PDF program. The members for Maribyrnong, Newcastle and Paterson also contributed, and I acknowledge you for that. The member for Newcastle highlighted the role of the PDF program in improving small to medium sized firms’ access to equity capital. The member for Paterson I thank again for supporting the bill. And I am confident that the PDF program and other government initiatives will help rebuild the Hunter region’s economy.

I also thank the member for Rankin for supporting the bill and for emphasising the importance of PDFs as a vehicle for growing Australian businesses. I agree with the member for Rankin about the need to ensure that Australia is internationally competitive and well equipped to meet the challenges of the information age. Finally, I would like to thank the member for Batman for supporting the bill and for emphasising the importance of having local solutions to deal with local problems. I want to assure the member for Batman that the government is committed to assisting rural and regional Australia, and I agree that PDFs can play an important role in promoting the provision of venture capital in regional areas. In fact, almost a third of investments made by PDFs have been in regional and rural areas of this country.

I would like to conclude by summarising how the bill will enable the PDF program to better meet its objectives. The Pooled Development Funds Program encourages the provision of patent equity capital to small to medium sized enterprises. It recognises that there are imperfections in capital markets and that such enterprises often have difficulty in obtaining equity capital. To date, the PDF program has enjoyed bipartisan support, having been established under the previous Labor government. During the 1998 election campaign, the coalition promised to improve
the PDF program. In last year’s budget, the government announced that it would extend the program until 30 June 2003, with a review of the program scheduled in 2002-03. The bill honours the coalition’s election commitment to increase funds available to small to medium sized enterprises by giving PDFs more commercial flexibility and making PDFs a more attractive proposition for Australian superannuation funds, overseas pension funds and other investors.

The additional cost to revenue of the proposed changes to the PDF program is modest, estimated as being negligible in this financial year and $2 million in the year 2000-01, increasing to $3 million and $5 million respectively in the following two financial years. The new arrangements will apply to existing pooled development funds as well as new entrants to the PDF program and will mostly come into effect from the commencement of the 1999-2000 income year. The bill also proposes improved monitoring of the program, and this will help ensure that the program is well targeted and that it will be better evaluated in the future. The reporting requirements associated with this will not be onerous for the program’s participants. To ensure that the PDF program is not abused, the bill also specifies that, from 1 August 1999, lower tier investments by controlled investee companies must also comply with the requirements of the act, otherwise an interposed company could be used to enable investments in large companies, or even foreign ones, to benefit from the PDF tax concessions.

Together with the government’s capital gains tax reforms, the bill’s changes will encourage increased investment in Australian small to medium sized companies. Many of these companies will be innovative, start-up firms with the potential to grow rapidly once they get access to much needed venture capital. Consequently, the bill’s changes will also complement government policies, such as the Innovation Investment Fund and the Commercialisation of Emerging Technologies program, that are designed to foster innovation. I commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

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

COMMITTEES

Procedure Committee

Report

Mr PYNE (Sturt) (4.34 p.m.)—On behalf of the Standing Committee on Procedure I present the report entitled e-motions: the electronic transaction of questions, answers and notices of motion and related matters, together with the minutes of proceedings.

Ordered that the report be printed.

Mr PYNE—by leave—The report I table today proposes a number of modest improvements to the way the House carries out its business. It covers four topics: the electronic lodging of questions, answers and notices; timely responses to questions on notice; the seconding of notices of motion; and documentary requirements for a meeting of the House. Last year the parliament passed the Electronic Transactions Act. The act removes legal impediments to the development of electronic commerce in Australia by validating the use of electronic communications in business transactions. Members of parliament increasingly use electronic communications in their parliamentary business. Some of us use email to communicate with our constituents, to assist us in our committee activities and to lodge material for publication in House documents, as well as for many other reasons.

The committee has proposed some minor changes to the standing orders so that, in respect of questions, answers and notices, the terms ‘in writing’ and ‘signed’ may be used in the same sense in which they are used in the Electronic Transactions Act. The committee believes this would remove potential impediments in the standing orders to members making greater use of email to this end. The option of using email would offer not only convenience for members but also the important benefit of saving paper. The committee recognises that there are practical issues involved in implementing the electronic
lodgment of questions, answers and notices but is confident that these can be overcome to the mutual advantage of all concerned. I know the member for Chifley is a great advocate of the use of electronic means for the business of members of parliament, and I am sure he will comment on that matter in his contribution to this short debate.

In a similar vein, the committee recommends the simplification of the procedure for seeking an explanation for a delay in answering a question on notice. Under the existing provision, a member may request the Speaker to write to the minister seeking an explanation. Under the simplified provision, a member would ask the minister directly. A well-briefed minister might respond immediately. Alternatively, a minister might choose to respond to the member at a later time or in writing. The committee hopes and is confident that appropriate sanctions would be used by the Speaker to curb abuse of the provision, should it be abused by the opposition. We would hope that they would not do so.

The third topic of this report is the seconding of notices. In 1992, the Standing Committee on Procedure recommended that the requirement be dispensed with. The case for doing so has not changed. Only private members are affected under the current practices of the House. Such notices can be called on in the House only by leave of the House, following the suspension of standing and sessional orders or if they have been accorded priority by the Selection Committee. Each of these steps requires the support of the House or the Selection Committee. Thus, a requirement for the prior support of another member is really unnecessary. The standing orders of legislatures like the United Kingdom’s House of Commons, the New Zealand House of Representatives, the Canadian House of Commons and even the parliament of Botswana contain no similar requirement. It should be noted that the removal of the requirement to second a notice would not alter the requirement in standing order 160 that a motion, when moved, must be seconded.

The final proposal in the report relates to the availability of the Notice Paper before the House meets and merely makes explicit what is now implicitly the case. The committee believes there is some benefit in providing for the natural entitlement of members to be informed of the business of a meeting of the House before it begins. Nothing in this report seeks to make radical changes to the fabric of parliamentary procedure; rather, we have made a number of modest proposals which we believe will be of particular benefit to private members and which we hope in due course will be adopted by the House. I would like to thank the committee for their contribution and cooperation in the tabling and organisation of this short report. I thank the secretariat, Anna, John and Robyn, for the excellent work that they accord the Standing Committee on Procedure. I commend the report to the House.

Mr PRICE (Chifley) (4.39 p.m.)—by leave—I would like to make a short statement about the report of the Standing Committee on Procedure. Mr Deputy Speaker Jenkins, it is always a pleasure to speak on an issue that I know you are taking a great deal of interest in. This is certainly the case with e-motions: the electronic transaction of questions, answers, notices of motion and related matters. I would like to take off where the chair of the committee, the member for Sturt, has left off. Firstly, I thank him for his chairmanship and stewardship of the committee as well as the members of the secretariat, Robyn, Anna and John, and members of the committee. I would also like to acknowledge the role of the Speaker and the Clerk of the House of Representatives, who I think are most receptive to proposals that bring the House up to date. They are certainly showing a great deal of leadership. This is a short report, as I was reminded at a meeting last night of the chair and deputy chair of the committee. I think the Standing Committee on Procedure can hold its head up high in terms of productive output with, I might say, no permanent staff attached. It is true to say that there has been a huge change in the tools that members of parliament have. I recall that when I first became a member the most exciting bit of equipment we had was an electric typewriter and, for the members who used them, an ample supply of ‘correct it’.
Mr Albanese—That was the case in World War II.

Mr PRICE—I thank the shadow parliamentary secretary for his intervention. It is amazing to compare what we had with what we have now. I suppose it is also fair to say that there is probably the odd member of parliament who would like to return to pen, quill and turbocharged pigeons, but they have well and truly been superseded. I was very interested in the proposition of being able to use email. I wonder where we would be in this House if we did not have that facility now which we use so much. I asked Speaker Sinclair back in 1998:

Like a lot of members, I want to put some questions on the Notice Paper. Of course, as you know, we have an email system and can very easily transmit questions from our office to the Table Office and assist the productivity of the individual who has to check and prepare those questions—but, of course, that is strictly prohibited. Mr Speaker, would you consider allowing members of parliament to email questions to the Table Office, even at the risk of bringing the parliament up to date with technology?

It is true that at the time you could lodge them by email but you actually had to provide a hard copy as well. They are the matters we are really addressing in this report. I think the electronic lodgment of questions, answers and notices is a very sensible arrangement. It is convenient not only for members but for ministers and their staff too. It saves heaps of time. For example, look at the way email is being used these days. I for one use email for all representations to overseas posts regarding immigration matters. It does not provide a fancy copy to the constituent, but the point is that it is instantly delivered and I get a tremendous turnaround. I think it is great. Why shouldn’t the parliament be up to date with the use of email in the important forms of the House? Questions on notice and notices are some of the most precious things that members of parliament have to promote issues.

There is also the proposition that in a sense this measure could be described as saving the Speaker time. At the moment, under standing order 150, you rise when a question has been on the Notice Paper for more than 60 days and ask the Speaker, who really has no responsibility for the matter at all and—with no disrespect to Speakers or Deputy Speakers—has little power to compel a minister to answer a question, to follow up with the minister. The committee is taking it a step further. After all, the current methodology was first proposed back in 1996. Now the report suggests that, rather than asking the Speaker to write, members should have the opportunity to ask ministers for a response after question time. Today that might disadvantage the coalition government, but we always have cycles, so if it were adopted Labor ministers presumably would also need to respond when we are in government.

On the seconding of notice, I think the dispensing of the requirement on the lodgment of notices is important and, in particular, would benefit Independent members. We have one Independent member now; we had five in the last parliament. Last but not least, I mention the publication of the Notice Paper. The Notice Paper is the indication of what the House is going to transact, and it is an important reform to have the Notice Paper published prior to the House convening.

As our chairman has quite rightly pointed out, I do not think any of the proposals represent a radical or revolutionary step in the procedures of the House. Without wishing to predict your views in any way, Mr Deputy Speaker, I am sure that we can look forward to your support for these proposals as they really are quite modest but they bring the procedures of the House up to date. I strongly support them. As I said, I commend the chairman, the committee members and the secretariat of the committee, but in particular I commend the report e-motions to the House and to all honourable members.

Mr PYNE (Sturt)—by leave—I move:
That the House take note of the report. I seek leave to continue my remarks when the debate is resumed.

Leave granted; debate adjourned.

FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT BILL 2000
Debate resumed.
Mrs IRWIN (Fowler) (4.47 p.m.)—As I was saying prior to question time, most older Australians think that they are all going to get $1,000 from the bonus for older Australians. It is a bonus, after all—a kind of reward for being an older Australian. These older Australians are used to concepts like the baby bonus, the Christmas bonus and the salary bonus. They are wrong. It is only a bonus in that it is a one-off payment. It is not a savings bonus; it is not paid for you to put into your savings, and it is not paid on the amount of savings that you might have. No, it is an amount up to $1,000 subject to an income test, based on the income you derive from your retirement nest egg, from your super, your rental property and other income streams like annuities or shareholdings. You can ask a million questions about this in order to get to the detail, but for most older Australians on a pension this bonus is a mirage. Self-funded retirees can get the self-funded retirees supplementary bonus, worth up to $2,000. The schemes—and remember that they are schemes to compensate the people who are going to be hurt by the GST—are as dense as the Daintree. You will have to fill in a claim form to test whether or not you will get this.

The Family and Community Services Legislation Amendment Bill 2000 fixes another glitch in the earlier legislation. How many details will have to be fixed before this whole thing gets sorted out? One of the worst things you can do to older people is to force change on them, especially in their income arrangements. Many of them have come through the Depression years and, as I stated prior to question time, like Don and Sarah’s parents, they believe in being thrifty and they believe credit to be a signal of financial ruin. Many of the older people I speak to are so honest that they become stressed if they have not filled in a form by the due date, if they have made a mistake or if they think they have. This government wants to move a truckload of paper their way, as if every older person has a financial adviser sorting out these complex matters. When all is said and done, we know that there is nothing in it for most older Australians. All this empty talk of bonuses will cause great distress among the group of people who are our mothers and fathers, and the paperwork is obscene. The social policy coming out of this government assumes that everybody has got accountancy qualifications, has a laptop computer and does day trading as a pastime. You are supposed to know your way around the hype and the gloss. It is all about options, which come down to zero after you have done the homework.

A silly scheme was supposed to benefit farmers of retirement age who were passing on their farms to the next generation. It all looked good on paper until you got to the detail, which showed that no-one would qualify. Why have a scheme like that stuck out on its own? Why did the government take a student assistance scheme like Austudy and completely gut it so that it went from about 500,000 students from less well-off families getting a hand to less than a 10th of that number today who are all aged over 25? It is a shadow of what it was. Austudy was effectively dissolved because it was a Labor initiative. There was another such scheme where, if you deferred your age pension entitlement while you continued in employment, you would get a little financial consideration. The trouble was that you had to be able to predict the future with great accuracy if you were going to take advantage of it.

What is the sense in having tiny little schemes with hugely complex and impossible qualifications unless it is for political convenience? It is to create illusions, whether the audience is farming families or older Australians with limited means. It is snake oil. But the administration of these things has a cost. It is ridiculous to set up schemes which cost more to deliver than they are supposed to redistribute.

Social policy is not the place for this kind of cynical massaging of the electorate or the wedge politics we are seeing with the unemployed, the disabled and the sole parents. They will find out eventually. They will find out they are being sold Lasseter’s Reef; that it is a fiddle by a heartless government. It is hurting families who are often facing financial problems and it is hurting older Australians who have deeply ingrained attitudes about thrift and straightforward dealings with government. Our older people deserve re-
pect not the carpetbagging this government is using to sell its unfair and regressive flat tax. They are not only older Australians but also our mothers and fathers. When the Howard government starts to fiddle the mouse on the spreadsheet, when it starts to fiddle the policy detail at the eleventh hour, when it puts families into hardship for the sake of revenue and when it starts to deceive older Australians, it is time it got shown the door. It will be shown the door at the next federal election.

Mr MURPHY (Lowe) (4.54 p.m.)—I rise to speak largely in support of the Family and Community Services Legislation Amendment Bill 2000. This bill seeks to amend three separate areas: the double orphan pension provisions of the Social Security Act 1991; the provisions in A New Tax System (Bonuses for Older Australians) Act 1999, relating to revised income support; and the Social Security (Administration) Act 1999 and Social Security (Administration and International Agreements) (Consequential Amendments) Act 1999 to rectify inaccuracies. I will deal with each of those areas in turn.

I am supportive of the section of the bill dealing with double orphan pension provisions because it seeks to ensure that the primary carer of a double orphan has access to family allowance, retrospectively applying from 1 July 1998. I am also supportive of the definitional change of ‘double orphan’ to include the situation where one parent is deceased and the other is a long-term remandee. For example, if a parent were in remand on a murder charge but had not been convicted of an offence, the child would not be able to attract the payment of double orphan pension as a double orphan under the present arrangements.

The bill will enable the carers of this child to access the double orphan allowance if the parent in remand is charged with a serious offence which has a sentence of 10 years imprisonment or longer. This will benefit those disadvantaged children in our society who do require assistance. The actual financial impact is only $1.2 million over four years—a negligible amount. Where a child becomes a double orphan, the bill also enables the primary caretaker of the child to be eligible for the rate of family allowance that was applicable before the child was orphaned. This double orphan allowance is indexed each year in line with CPI increases. From 1 January 2000 it was $38.30 per fortnight.

There are amendments in the bill relating to the self-funded retirees bonus. Under the current provisions, an older Australian may be disqualified from receiving the self-funded retiree bonus if he or she was also a recipient of an income support payment in the period 1 April 2000 to 1 July 2000. However, as a result of the new tax system some changes will apply to income support payments commencing from 1 July 2000. If a person qualifies for an income support payment for the first time on 1 July 2000, under the current legislation, they will not be eligible for the bonus. This bill also acts to substitute the cut-off date for the disqualifying period from 1 July 2000 to 30 June 2000, avoiding the overlap. This is a necessary change to ensure that those retirees will not be disadvantaged unfairly by being eligible for income support by only one day of this period. This is a good thing.

Having said that, I believe there are some problems with the aged persons bonus and the self-funded retirees bonus. One major problem is that all self-funded retirees and age pensioners will be considerably worse off under the GST. This is basically because pensioners and self-funded retirees spend all their income and run down all their savings on things like food, medicine and clothing. Pensioners and self-funded retirees will barely, if at all, benefit from the income tax cuts. For example, there are a number of groups who will miss out completely from even being eligible for the bonus who will be adversely affected by the GST. These groups include those self-funded retirees who are aged above 55 and below 60 years who have earned more than $1,000 from working in the 1999-2000 financial year. This includes those retirees who have retired since July 1999, people who are aged between 55 and 60 years and are recipients of a disability support pension or a carer allowance and have income from savings and any person who retires after 30 June this year.
I am concerned that the bonuses will not in fact compensate for the devaluing of the savings of those self-funded retirees and aged persons who are actually eligible for the minimal amount of money the government is giving. For example, the government has admitted that only one in 10 aged persons over the age of 60 will get an age persons savings bonus greater than $500. In order to receive the full bonus, fairly substantial investments are required—in the order of $20,000 invested and five per cent interest. In order to receive the maximum $2,000 self-funded retiree supplementary bonus, investments of around $40,000 invested at five per cent interest would be required.

I have had numerous pensioners and self-funded retirees living in Five Dock, Drummayne, Strathfield, Homebush and Rhodes contact me very worried about the impact of the GST. I spoke to some extent about that yesterday in the MPI debate. They do not believe that the government had their best interests in mind when implementing the GST. There is some confusion as to who will administer the bonus payments to these people. For instance, self-funded retirees who also receive a payment from the Department of Veterans’ Affairs will not be eligible for the self-funded retirees supplementary bonus; instead only being eligible for the aged persons savings bonus which is $1,000 less.

I am also very concerned that the pension increases will not fully compensate for the additional costs that the GST will impose on pensioners. The four per cent rise that will take place on 1 July 2000 will be automatically adjusted for inflation in September and the real increase will then halve to around two per cent. The pension will continue to be linked to 25 per cent of average weekly earnings. In reality pensioners will suffer under the GST. The pension increase will not compensate for the increased costs. My concern is also that, with the effluxion of time, that compensation will completely evaporate.

The social security amendments relate principally to the payment of the pensioner education supplement, which will commence from 20 March 2000. These amendments are to be inserted in the Social Security (Administration) Act 1999. This restores the effect of provisions relating to the education entry payment, which is paid to a number of people who are receiving certain pensions from the Department of Veterans’ Affairs or Centrelink. The payment consists of $100 to assist with meeting the costs encountered in undertaking training. The government had intended to repeal this payment by the Further 1998 Budget Measures Legislation Amendment (Social Security) Bill 1998. However, this measure was defeated in the Senate in 1999. This sum will be payable according to the semester in which the student undertakes the course—that is, the first semester would commence on 1 January each year and the second semester would commence on 1 July each year.

I turn now to item 15 in Schedule 3 of the bill, which applies to qualification conditions for mobility allowance and which states...

...the person is undertaking job search activities as part of an activity plan developed by a Disability Panel established by the Secretary. This is a straightforward substitution of procedure for the secretary of the department, as the disability panel no longer exists, I understand that the bill is only updating legislation to make it current. However, the government’s continual refusal to invest in training and skills for those people with disabilities, combined with the dismantling of the disability reform package put together by the previous Labor government, is a downright disgrace. Initiatives such as the disability panel, which consisted of a panel of experts in rehabilitation, labour market assistance and income support, were designed to assist these people. Panel members interviewed disability support pensioners and offered a strategic plan to assist them to re-enter the work force. The panel was abolished. To replace the disability panel, the government created the position of disability officer. However, the disability officer is only able to assess eligibility for assistance by the Job Network.

The government has treated those people on disability support pensions with absolute contempt. The cuts to labour market assistance have had the largest effect. They have been disastrous because the replacement Job Network is not capable of meeting the needs
of those people who have disabilities. The Job Network is incapable of assisting those people with disabilities who really want to be back in the work force. The government also recently axed the More Intensive Flexible Services pilot program, which was a revolutionary assistance package for people with difficult needs. The program was cut in spite of it having an 80 per cent success rate and there being a recommendation that it become a national program. Worse, the government’s welfare reforms will only work to further disadvantage those people who are recipients of disability support pensions and other pensions.

I also take the opportunity to say once again in this House that my electorate of Lowe has many community members on a disability support pension who would like nothing better than to have the opportunity to work—to receive real assistance in terms of strategic planning to get back in the work force and receive real training and skills. Unfortunately that is not happening. The Job Network is incapable of helping them in the way a disability support panel was able to. These people deserve a fair chance to re-enter the labour market. They will not be eligible for any supplementary assistance when the GST comes in and they do not have access to real skills training or rehabilitation to assist their re-entry to the work force. They do not deserve the mean-minded approach the government has taken to welfare reform and they do not deserve marginalisation or punishment because they have a disability which precludes their participation in the work force.

The government’s isolation of people with disabilities from the job market has meant that a growing number of people are accessing the disability support pension. The government’s policies mean that those people on the pension are not able to access programs to link them to job opportunities and that those people still capable of work but not able to be reskilled for various reasons have been diverted to the disability support pension.

In conclusion, while generally supporting the bill, I remain concerned for pensioners and self-funded retirees across the whole of Australia, including the large number who reside in my electorate of Lowe in suburbs like Strathfield, Ashfield, Homebush, Five Dock and Croydon. I remain concerned for those disability support pension recipients who are being marginalised by the government’s reforms. I would like to see the government take some initiative, show some responsibility and restore the social security net in an effort to improve the living standards of those people who are forced to access it because reskilling and other labour market programs are not provided.

Mr HOLLIS (Throsby) (5.06 p.m.)—I am pleased to speak on the Family and Community Services Legislation Amendment Bill 2000. I have listened to many of the speeches made in this second reading debate and I do not want to engage in a debate about who did what and when. But I just say to those opposite that perhaps some of them might acknowledge that not all wisdom happens to reside on that side of the chamber and that we on this side do have some genuine concerns and a right—indeed a duty—to raise the concerns that people bring to our offices. To hear some of the people on the other side speak as the honourable member for Pearce and other members have spoken today you would think there were absolutely no problems at all out there in the community sector. I say to those on the other side in all sincerity that, if they really think everything is so fine in the community, they should spend a day or even a half a day in my office listening to the concerns that people put to me.

When we raise these concerns, we do so from the representations we have received in our offices on these issues. In my area I have a couple of Liberal held seats and one Labor held seat, and it always amazes me to hear some of my government colleagues saying, ‘No-one ever comes into my office with problems. They haven’t got problems.’ There isn’t all that much difference in the air or the water between Dapto and Nowra, but the way the members react to the various problems makes it seem like everything is so fine in the community, they should spend a day or even a half a day in my office listening to the concerns that people put to me.
and maybe people with problems in Nowra do not bother going to see the local member.

While there are a number of complex and technical amendments contained in the Family and Community Services Legislation Amendment Bill 2000, I particularly would like to concentrate on the changes proposed to the double orphan pension, and I say at the outset that I welcome them. Schedule 1 of the bill amends the double orphan pension provisions of the Social Security Act 1991 to guarantee the rate of family allowance in relation to double orphans at the rate that was applicable at the time the child became a double orphan. This amendment is retrospective, applying to children who became double orphans on or after 1 July 1998. In addition, the definition of a double orphan in subsection 993(2) of the act is expanded to include the situation where one parent is dead and the other parent is a long-term remandee. At the moment, the definition applies only where that other person is serving a long-term prison sentence.

I have taken a particular interest in this area. I listened to the speech by the member for McEwen and, while not wishing to take away from her any of the credit she claims for the bill—and I acknowledge that she has worked to bring this to fruition—there are others, I must say, who have had a very similar experience. As I said, I have a particular interest in the changes to the legislation in regard to the double orphan pension because of a tragic case in my electorate in 1997. A five-year-old child was orphaned following the much publicised violent death of her mother and the imprisonment of her father. The child’s aunt was granted custody but was denied the double orphan pension because of the criteria relating to the 10-year imprisonment rule. This case attracted national media attention. At that time, I supported an appeal by the aunt to the Social Security Appeals Tribunal and wrote to the minister bringing this case to her attention. Indeed, because there was so much interest in the case, I went on local and national television to make a public appeal to the minister regarding the tragic circumstances of this child whose mother had met such a violent death, whose father was in prison and whose aunt had custody of her but was not permitted to receive any support for her. I eventually received a reply from the minister’s parliamentary secretary stating that the minister had no discretion in this case, assuring me that the social security programs were continually monitored to ensure that they met their aims and advising me that our concerns would be kept in mind. This was some three years ago.

I believe these changes to the eligibility criteria came about following a recent case where the mother of a child had died and the child’s father was being held in custody charged with murder. However, the child could not attract payment of the double orphan pension as the child’s father had not been tried and therefore was not a long-term prisoner. This was similar to a case that I understand the member for McEwen raised in her speech this morning—although it was not just one child involved, but four or maybe even five children. Again, it was a very, very tragic case. The circumstances were exactly the same—apart from the number of children involved—as the case in my electorate in 1997.

I note with a degree of disappointment that the new amendments in part 2 of schedule 1 are to be backdated to 1 July 1998—my case happened in 1997—because this was the date when the problem was apparently first identified. I cannot understand this, because I have correspondence with the minister in 1997 and I have a letter from the minister’s parliamentary secretary with an assurance that the government would keep such things in mind. As I said, I went on not only local television but national television making a public appeal to the minister to deal with this case sympathetically. Yet somehow—and I am not saying this because I am a Labor member—the government said that this only happened in 1998 and that people were unaware of it before 1998. As I said, I did raise these concerns with the minister in correspondence and publicly through the media in 1997. I only wish this discrepancy in the legislation had been addressed when I first raised the issue so that my constituents—and no doubt there are many others prior to 1998—could be recognised for the love, care and attention
they provide to orphaned children and for which they should be compensated. As I said, I do not mind the member for McEwen taking the credit. Quite frankly, I do not care who claims the credit. I pay tribute to the work that the member for McEwen has done on this, but there is an anomaly there that should be corrected. I know that there always has to be a cut-off date and you cannot always go back forever, but the fact is that there is correspondence indicating that I did raise this matter with the minister in 1997.

I believe that these amendments repealing these redundant provisions relating to the double orphan pension are long overdue. While they do not assist some who have suffered, they nevertheless have my full support. I will not detain the House any longer. My colleagues have mentioned and outlined succinctly other aspects of the legislation that we on this side have some concerns about. I generally support this legislation, but we do reserve our right to raise criticisms or concerns about it.

Mr Anthony (Richmond—Minister for Community Services) (5.15 p.m.)—in reply—I would like to certainly thank all members for their contribution to the debate on the Family and Community Services Legislation Amendment Bill 2000.

Mr Albanese—Thanks, Larry.

Mr Anthony—I would like to thank the member for Grayndler for being in the chamber, and I will talk about his contribution a bit later. But I would like to especially thank the members for McEwen and Pearce for their contribution to the debate, and I note a number of opposition members, including the previous speaker, took the opportunity to raise other matters relating to social security, not specifically to this bill, during the debate.

The Family and Community Services Legislation Amendment Bill 2000 addresses a number of technical legislative defects. This is an omnibus piece of legislation which contains amendments to four different acts. A number of provisions in the bill are technical amendments, consisting of the repeal of the redundant provisions and correcting minor drafting errors. The Family and Community Services Legislation Amendment Bill 2000 provides measures that ensure that the carers of orphaned children are not disadvantaged as a result of undertaking that care. This bill amends the rate of the double orphan pension to ensure that, when a child becomes a double orphan, the rate of family allowance that was applicable before the child was orphaned will continue to be paid to the person who assumes care of the child. This means that the rate of family allowance that was paid prior to the child becoming a double orphan would be guaranteed as a minimum to the person who assumes care of the child.

This bill will also provide for an additional category of children who will be able to satisfy the definition of the double orphan, so enabling their carers to receive the double orphan pension. At the moment, a child is a double orphan if their surviving parent is a long-term prisoner. However, if that parent is on remand, not having yet been convicted, the child is not a double orphan. This can be disadvantageous to carers in situations where there is going to be a lengthy period between the arrest and the conviction.

Schedule 2 of the bill amends the A New Tax System (Bonuses for Older Australians) Act 1999, and the purpose of this aspect of the bill is to ensure that all eligible self-funded retirees receive the new tax system savings bonus. As the law stands, older Australians may be disqualified from receiving a bonus if they receive an income support payment during the period 1 April 2000 to 1 July 2000. Significant changes to income support payments as a result of taxation reform that commence on 1 July 2000 will mean that many people currently not entitled to receive income support will be able to receive payments from that date. If the law is not changed, the one-day overlap on 1 July 2000 will mean that these people would be prevented from receiving a bonus. To avoid this, schedule 2 of the bill amends the A New Tax System (Bonuses for Older Australians) Act 1999 to ensure that the disqualifying period for the self-funded retiree ends on 30 June 2000.

The member for Grayndler does not realise the benefits of the new taxation system for pensioners and self-funded retirees, and I certainly have an opportunity to educate him.
now. The retired Australians who receive the social security and veterans affairs income support payments will benefit from the increased payments and, of course, the eased income test. People who receive the maximum rate and people who get a part-time rate under existing income tests will get an increase in their payments. Many self-funded retirees will also become eligible for payments because of the increased rates and the easing of the pension income test. All social security payments will be increased by four per cent from 1 July 2000. Associated allowances, such as the pharmaceutical allowance and the mobility allowance, will also be increased by four per cent, and the maximum rate of rent assistance will increase by seven per cent. The income and assets test free areas for pensions and allowances will also increase by 2.5 per cent. Eased income tests will mean that pensioners will keep 60c of every dollar of private income above the free area.

This brings me to the savings bonus. Special assistance will be provided to retirees with income from savings and investments to help them maintain the value of their retirement savings and investments following the introduction of the GST. This special assistance will be in the form of one-off savings bonuses—the aged persons savings bonus is up to $1,000 per person and for self-funded retirees there is a supplementary bonus of up to $2,000 per person.

Ms Macklin—How many are getting it?

Mr Albanese—Order! Order! Order!

Mr DEPUTY SPEAKER (Hon. I.R. Causley)—Mr Albanese interjecting—

Mr ANTHONY—Thank you, Mr Deputy Speaker, a very good ruling. The aged persons savings bonus will help older Australians aged 60 and over to maintain the purchasing power of their retirement savings after the introduction of the goods and services tax. The aged persons savings bonus ranges from $1 to $1,000, depending on the amount of their annual retirement income and savings and investment income. I certainly know that many people in my electorate of Richmond who qualify will welcome this. Each member of a couple is separately assessed based on their own annual retirement income and income from savings and investments. People can be paid $1 for every dollar of their savings and investment income up to a maximum of $1,000. The maximum rate is payable to people who have an annual retirement income of up to $20,000. Above $20,000 annual retirement income, the amount of payment is proportionately reduced until it reaches zero when it hits $30,000.

The self-funded retirees supplementary bonus will help self-funded retirees aged 55 and over to maintain the value of their incomes from savings and investments. The supplementary bonus also ranges from $1 to $2,000 depending on the amount of their annual retirement income and savings and investment income. Like the aged persons savings bonus, each member of a couple is separately assessed. People can be paid $1 for every dollar of savings and investment income up to $2,000. Once again, like the aged persons savings bonus, the maximum rate is payable to people who have up to $20,000 annual retirement income. Above $20,000 annual retirement income, the amount of payment is proportionately reduced till it reaches zero when it hits $30,000.

This bill contains technical amendments relating to the Aboriginal Enterprise Incentive Scheme. Schedule 3 of the bill amends the Social Security Act 1991 to remove redundant references to the Aboriginal Enterprise Incentive Scheme. Schedule 4 contains amendments to the Social Security (Administration) Act 1999 and the Social Security (Administration and International Agreements) (Consequential Amendments) Act 1999. Items 4 and 7 restore the effect of certain provisions relating to the employment entry payment. As I said in my opening comments, this bill addresses a number of technical legislative defects. Many of the provisions in the bill are technical amendments to repeal redundant provisions and correct minor drafting errors. Once again, I would like to thank all members for their contributions to the debate. I commend the bill to the House.

Question resolved in the affirmative.
Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Leave granted for third reading to be moved forthwith.

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

MATTERS REFERRED TO MAIN COMMITTEE

Motion (by Mr Bruce Scott) agreed to:
That the following bill be referred to the Main Committee for consideration:
Taxation Laws Amendment Bill (No. 10) 1999

HEALTH LEGISLATION AMENDMENT BILL (No. 4) 1999

Cognate bill:
HEALTH INSURANCE (APPROVED PATHOLOGY SPECIMEN COLLECTION CENTRES) TAX BILL 1999

Second Reading

Debate resumed from 9 December 1999, on motion by Dr Wooldridge:

Ms MACKLIN (Jagajaga) (5.24 p.m.)—This Health Legislation Amendment Bill (No. 4) 1999 includes a wide range of unrelated amendments to the one piece of legislation. The three main issues in descending order of significance are: the repeal of the sunset clause on existing arrangements for graduate doctors to access Medicare provider numbers, the alteration to the rules for overseas doctors, and the introduction of new arrangements for pathology specimen centres to bring the public and private sectors into the same framework. Because the changes to the pathology collection arrangements require the introduction of a new fee, which is a tax, there is an accompanying bill to implement the necessary financial measures. The second bill is the Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999. There are another four minor changes that refine the definition of various matters in the Health Insurance Act to make enforcement more easily achievable. These do not raise significant policy issues and the and the opposition has no objection to their passage. In the comments I want to make today, I want to focus on these three issues and explain the opposition’s position on each of them.

First of all, the proposed removal of the sunset clause is the most significant change in this bill. The clause has its origins in the 1996 legislation introduced by the Howard government to restrict access to Medicare provider numbers for graduate doctors until they had completed one of a number of training programs to become either specialists or general practitioners. This policy was hotly opposed by young doctors who objected to both the thrust of the change and the way in which it was undertaken. The opposition supports the broad principle that graduate trainees should be in a different category from fully registered doctors who have completed their training. It is not appropriate for young doctors to have an unrestricted Medicare provider number as they are still going through paid training to acquire the full range of skills that are required either as a specialist or as a GP.

I do think it is now accepted by most young doctors that Australia will not go back to the days when graduates could get unrestricted provider numbers. What the junior doctors objected to and what they still object to is the artificially rigid rules that the government adopted back in 1996 which have given rise to various anomalies and problems for young doctors making decisions about which area of medicine they wish to practise in for the main part of their career. The government unfortunately has not listened to the arguments that the young doctors have put forward through their various representative bodies: the Australian Medical Association, the Australian Salaried Medical Officers Federation and the Health and Research Employees Association. As a result, there were two requirements imposed by the Senate: first, to report to the parliament before December 1999 on the effectiveness of the new arrangements; and, second, to place a sunset clause to remove the restrictions after 1 January 2002. The review was undertaken by the former Liberal New South Wales health minister, Ron Phillips, and the report
was tabled just before the deadline last year. Unfortunately, it made few clear-cut recommendations and referred most of the critical issues off for further study. However, it did recommend the repeal of the sunset clause ‘to give certainty to young doctors about the arrangements that will apply in the future’. This view has been strongly rejected by the young doctors who point out the lack of justification for this conclusion in the Phillips report. Young doctors do not like the current arrangements and they want the government to listen to their grievances. It is not appropriate to go back to an open slather entitlement for newly graduated students to unrestricted Medicare provider numbers. As I have said in other places, there is now a need for a fundamental rethink to develop workable long-term policies.

Unfortunately for many young doctors, the approach put in place by the government in 1996 has failed. There is a huge problem with the medical work force, particularly in ensuring adequate numbers of doctors in rural areas and in some less popular specialities. The minister has made a series of adjustments on the run, changing the rules to use partially trained graduates to fill a number of work force gaps. Students are being sent to remote locations to practise far from support and supervision. One young doctor told me of being sent to a particular country town with a list of six phone numbers of fully trained doctors who might be able to help in an emergency. It turned out that these doctors were often not available, and the young doctor was very apprehensive about being confronted with the responsibility for a medical emergency which he was not yet ready to manage unassisted.

The Phillips report recommended the repeal of recent government regulations which allow students to work unsupervised doing night locum work. Practising medicine going from house to house late at night is not the appropriate way for young graduates to start working as GPs. The challenges of locum work require a high level of skill and expertise. Trainee doctors need access to experienced doctors to check their diagnoses and proposed treatments. Ron Phillips highlighted the contradiction of the minister’s position that trainee doctors are not suitable to be allowed to practise in a supervised situation as part of a GP practice; yet they are suitable to be let loose to work unsupervised at night. Whilst some students are keen to get any GP type of work, it is simply inappropriate that insufficiently trained graduates should be used in this way. There is a strong likelihood that allowing this to continue would result in a further decline in the standard of service. It is yet another short-term fix from this minister and it ignores the underlying problems of after-hours services.

I have discussed these issues with the students, and I believe there is merit in their main concern, which is about greater flexibility in training opportunities and access to supervised GP training opportunities in the cities and in rural areas. They are very unhappy with being used to fill gaps in rural areas and in night locum work and are very apprehensive about being put into situations where they are not effectively supervised and thus allowed to do things they are not fully trained for. I cannot see, for the life of me, why the minister has been so resistant to the young doctors’ proposals. At present, graduates from medical school spend an intern year in a hospital and then spend one or more pre-vocational training years working in a series of placements related to their long-term interests. After this, they enter one of the training programs run by one of the royal colleges and spend four years or more working towards becoming fully qualified as a specialist or a GP. Alternatively, the doctor might choose to remain in the hospital system as a career medical officer.

A major grievance is that there is currently no option to do a community term in the pre-vocational years as a placement with a GP practice. This has been recommended to the government on several occasions but, as I say, I just cannot fathom why the government will not even consider it. As a result, the current minister has unnecessarily antagonised the young doctors. It is reasonable that young doctors should be able to consider the range of career options that lie before them and try out a spell doing each. It is also desirable that before the doctors specialise they get some experience in several other sectors of the
medical profession to broaden their knowledge.

Perversely, although the government has rejected a community term with urban GPs for young doctors, I understand it is moving towards making a rural term compulsory. This highlights the extent to which the training strategy is not based necessarily on the needs of good training but instead is based on plugging the gaps in the work force. There is no doubt—and I do not think anyone in this House would disagree—that Australia needs to address the long-term imbalance in the distribution of doctors between urban and rural Australia. A solution depends on a well-thought-out strategy that starts with recruitment of doctors into medical schools and goes right through to the allocation of resources for fully trained doctors. We cannot continue to rely on trainee doctors in their prevocational years and on newly arrived overseas-trained doctors as stopgaps without seeing a dramatic decline in the standard of rural health services.

The second issue in this bill that I wanted to talk about is temporary resident doctors. They are people who are given short-term registration in Australia to practise mainly in areas of need. They work alongside permanent residents who have different arrangements for medical registration, and this has caused some friction. The desire to keep temporary resident doctors for longer periods in country towns where they have settled also gives rise to claims that bureaucracy is forcing doctors to leave the country when they can extend their visas but not their medical registration. This bill seeks to resolve these problems by bringing the registration requirements for temporary and permanent resident doctors into line. This generally gives effect to an agreement between Australian health ministers on 4 August 1999 to new arrangements for recruitment and approval of overseas trained doctors. It is disappointing that the minister has taken nine months to bring the legislation into the parliament, given his public claims to be actively seeking solutions to the rural doctor crisis.

Whilst the opposition supports the streamlining of these arrangements, there needs to be a careful monitoring of the outcomes. These arrangements should not be allowed to result in a reduction in the quality of services. Country Australians are entitled to the same quality of health services as those delivered in the city. The current state of play in rural Australia means that a short-term injection of overseas trained doctors has been necessary to fill the growing list of vacancies. The early evidence is that the scheme has been successful in filling the gaps in at least some states. I understand there have been some 88 new doctors approved in NSW, even before the streamlining proposed in this bill has come into law. My reservation is that too much emphasis on this avenue will continue the trend towards rural Australia becoming dependent on foreign doctors who have been able to convert from temporary to permanent resident status on the basis that they are filling a need.

Australia needs longer term policies to fix the rural health work force problem. We will be facing a major crisis in five years time if there is a flood of overseas trained doctors all seeking to move into the city on the basis of promises from this government. It will lead to major problems for those who are currently at medical schools. The need for a long-term policy from this government is now urgent. I hope that the recent rumours of some measures in this direction as part of this year’s budget are true. We have seen this government duck the hard issues in this area for long enough.

The final area I want to talk about in relation to this bill is the pathology collection centres. This is an important further step, on top of the previous measures, to control costs in this sector. In the year to June 1999 there were some 55 million pathology services delivered at a cost of over $1 billion. I note that 80 per cent of these services were bulk-billed. Generally the opposition supports these measures, which have their roots in actions which started in the early 1990s when Labor was in government.

The objectives of the measures are to encourage more judicious use of pathology and to improve quality and communication. The industry certainly has matured since its early days when we saw plenty of sharp practices
and overservicing. We have seen the industry stabilise around public sector laboratories in hospitals and private sector providers. These two sectors have coalesced around each other and provide complementary services. The two pathology funding agreements have added further stability to the environment, with predictable budget outlays for government. There is a need now to focus on the quality of service delivery and education of doctors and pathology providers to make sure that appropriate ordering and utilisation of services takes place. I note that the government introduced an initiative in this area as part of last year's budget but, as far as I know, no progress has been made in this area.

The specific effect of the changes in this bill will be to bring the system applying to public and private collection centres into alignment. This will have some competitive neutrality advantages, but there are some issues concerning the impact of the arrangements on public pathology laboratories, particularly in hospitals in regional centres, that I am a little concerned about. It is understood that there has been quite a lot of talk behind the scenes, with discussions taking place about the allocations of quotas between the public and private sectors, and I understand that agreement has now been reached. We need to make sure that we see a strong working together of these two parts of the pathology industry.

The public sector undertakes many of the more specialised tests that are not profitable for the private sector to tackle. In fact, there is a strong flow of samples collected in the private system being directed to public laboratories for specialised analysis. Most importantly, the small public laboratories that are attached to many rural hospitals are the only service providers that exist in many areas. The private sector has been loath to replicate its collection network outside of the major cities, despite the three-for-one collection centre incentive offered by the government.

The Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999 that we are also considering as part of this debate puts into place the financial arrangements to support the changes in pathology arrangements. The new fee of $1,000 per collection centre licence is not unreasonable, but it is above the cost of issuing a licence and is therefore required to be authorised as a tax. The opposition supports this measure.

In conclusion, I reiterate that the opposition will be supporting most of the provisions in these two bills, but we will be opposing items 9 and 7 which would remove the sunset clause from January 2002. For the reasons I have outlined, the government must admit that its medical work force planning and training programs have so far failed, and it certainly has yet to sit down with young doctors to reform the training program. If the minister is unable to do this, unable to admit that he is wrong and stubbornly persists with his current course of action, then it will be up to Labor in government to fix up this mess, which we will hopefully have the opportunity to do after the next election.

Dr NELSON (Bradfield) (5.42 p.m.)—This evening we are essentially dealing with two bills. One is, as we have just heard, possibly more the subject of contention than the other. The first is the Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999 and, as we heard in the second reading speech, it replaces the Health Insurance (Pathology) (Licence Fee) Act 1991, which will be repealed with the passage of the second piece of legislation, which is the Health Legislation Amendment Bill (No. 4) 1999.

As part of the budget for 1999-2000, the government announced the second of its three-year agreements with the two peak pathology professional bodies, the Australian Association of Pathology Practices and the Royal College of Pathologists of Australasia, to cap pathology expenditure under Medicare benefits arrangements. The importance of these arrangements between the government and the pathology providers of Australia is not to be underestimated. Not only do patients benefit from a more efficient and systematic way of delivering pathology services but, indeed, the Australian taxpayer—who underwrites most, if not all, of these services by and large—is protected by some sort of surety in growth and outlays.
The agreement provides a framework for managing growth in pathology expenditure under Medicare at an average of five per cent per year. It facilitates further structural reform in the sector, and it improves the quality in pathology testing use and practice. The agreement contains an outline of new arrangements for pathology specimen collection centres and an agreement to review the Commonwealth legislation that relates to pathology. New collection centre arrangements, which of course are the primary object of the first part of this legislation, have been agreed for pathology specimen collection centres to replace the licensed collection centres scheme, the LCC. They commence on 1 July this year and will be open to eligible public and private sector approved pathology authorities—that is, APAs, as they are known—with a category GX or GY laboratory.

Under the new arrangements, the number of collection centres an APA can operate for Medicare benefits purposes is determined on the basis of its Medicare and Department of Veterans' Affairs pathology activity—which is a significant change—and satisfying quality guidelines on collection centre facilities and services. Under the licensed collection centre scheme, the number of collection centres an APA could operate was based on a global entitlement and was relative to the number of participants in the market rather than individual activity; an anomaly which this piece of legislation addresses. These arrangements reflect a major shift, certainly in that regard and a number of others. They replace the artificial constraints which are imposed by a fixed pool of licences with a system based on individual APA performance. It will open up the sector to more competition by allowing more entrants without putting at risk the quality of facilities for patients and access to services. The three-for-one incentive will be maintained where an APA can convert one of its metropolitan collection centres into three collection centres in designated rural and remote areas of Australia—including, I suspect, Mr Deputy Speaker Causley, the electorate of Page. The existing licence fee will be retained in the form of an annual tax of $1,000 per approved collection centre. At the same time, the phase-in arrangements introduce a responsible management approach to not put at risk the cap on growth in pathology outlays that applies under the pathology agreement.

The transitional arrangements have been negotiated with the interested parties—as I say, the two major representative organisations for pathology providers in Australia—and will occur over four years to allow time for the pathology sector to adjust to what will be a much less regulated environment. The Health Insurance Commission will administer the new arrangements and implement programs to inspect and audit approved collection centres against business practices and the quality guidelines developed by the National Pathology Accreditation Advisory Council and the profession.

The bill is, I think, one more example of the pathology profession working with successive governments—firstly with the Keating government and now with the Howard government—to achieve sensible reforms which provide good fiscal outcomes to the government as well as efficiency, whilst not in any way compromising the quality of care that is provided to patients. The Australian Association of Pathology Practices has driven much of these reforms in pathology for over a decade with consequent savings, when you look at it, of millions of dollars over that period. This reform of the earlier licensing collection centre scheme is one more plank in that raft of reforms, and it achieves a number of things. As I say, it improves competition, it provides for each pathology provider to open or close collection centres based on their own performance in the introductory phase over four years and it also allows access to community collection centres based on their own performance in the introductory phase over four years and it also allows access to community collection by public sector approved pathology authorities under Medicare. It means that as Australians, and certainly the Australian government, we know that at least for the next three years, and beyond of course with these new licensing arrangements, we are likely to have much more affordable and, indeed, as we already know, efficient pathology services provided throughout the country.

The second part of the legislation, the Health Legislation Amendment Bill (No. 4) 1999, covers an area that has been the subject
of some considerable controversy, albeit largely confined to the medical profession. In 1996 the Howard government introduced changes to the Health Insurance Act which would require newly qualified doctors to be recognised as a general practitioner, a specialist or a consultant physician before being able to provide services that would attract Medicare benefits. This recognised the fact that Australian medical schools produce what are described as ‘undifferentiated’ graduates who require postgraduate training before going into private practice, either in a specialty or in a general practice. In other words, by the time your medical degree is conferred you are basically ready to be trained.

The 1996 changes ensure patients in Australia can be confident that their doctor is properly and fully trained and experienced in the clinical area in which they practice. The legislation also reflects the recognition of general practice as a distinct clinical discipline requiring specific training and expertise. In no small way it is one of those measures which contributes substantially in the long term to raising the self-esteem and professionalism of Australia’s general practitioners. The introduction of the legislation was accompanied by an industrial campaign by junior doctors and the Australian Medical Association. The member for Jagajaga indicated that the opposition would not be supporting the removal of the sunset clause because they were concerned about the careers and futures of young doctors. I have some experience in this regard, having in my previous life represented the young medical practitioners of Australia, and I can tell you that the Labor Party in government had not the slightest concern for young medical graduates. I will not embarrass some of the members on the opposite side by repeating things that they said to me during my two years of national leadership of the AMA and in positions held before that. I say to any young doctors and their families or prospective medical students listening to this debate: if you think for one minute that the Australian Labor Party has some sympathy for the medical profession, you can forget it. I can tell you that from hard experience. The class struggle is alive and well in many, but not all, parts of the Australian Labor Party and the opposition that we have here today.

In 1996 a number of claims were made when the legislation was passed. We were told that 400 or more doctors per annum would become unemployed—I can tell you that I was particularly concerned to hear that—that thousands of doctors would not be able to get training positions and that rural doctor numbers would plummet. In response to these concerns the legislation had a review clause and a sunset clause inserted at the suggestion of the Australian Democrats. A review was conducted by Ron Phillips—a former New South Wales state health minister—and has been tabled. The sunset clause would result in the legislation expiring, as we have been told, on 1 January 2002. The repeal of the sunset clause in this new legislation probably will result in renewed action from junior doctors in opposition to the government repealing the provider number legislation. I must say that I have been lobbied by young doctors and their representatives in relation to this, and I know that a number of my colleagues have similarly received representations.

My friends in the New South Wales branch of the AMA wrote to us about some of these reforms. The AMA said that it was concerned that the quality of general practice argument in favour of the legislation had been compromised by the existence of a number of exemptions—for example, assistance at operations, after-hours, rural and training exemptions. My response to that is that the government, and the minister in particular, have responded to what are quite reasonable and valid concerns about training opportunities for young postgraduates. Providing services to patients in an out of hours period is a perfectly legitimate way, in a supervised environment, to gain experience—in the past they had little, if any, experience at all—and similarly for doctors who are providing services in rural Australia. Many of these exemptions were introduced in fact at the request of the young doctors in the AMA, such as the assistance at operations, where by definition you are being supervised. You are assisting at an operation by a person who is a qualified surgeon.
Other examples are there to ensure that the doctors can work under supervision to provide services in areas of work force shortage, such as rural relief and after-hours schemes. Let us not forget that it was only a few years ago that many of the advocates of the medical profession were arguing that young doctors—second year out of medical school—should be quite capable if they chose to go and provide a service to an isolated community, having all kinds of pressures placed upon them for which they clearly were inadequately trained, if trained at all.

Rural general practitioner retention payments have been introduced to consolidate the gains that have been made. We have seen a 7.2 per cent increase in the number of doctors providing a service under Medicare in rural and remote areas in the last two years as a direct result of this legislation and the rural incentives that have been put in place by the government. The full-time equivalent numbers in rural areas have also climbed, but perhaps not by quite as much. This would indicate that a number of doctors are providing short-term locums, doctors who can get a provider number to work in the country but not in the city.

The AMA has also at times referred to the safety net of the clinical assistantship program. As I understand it, not one doctor has signed up. As a consequence little progress has been made or needed to be made with the Royal Australian College of General Practitioners. The basic premise of that is that if you were not able to get into a general practice training scheme you could do a clinical assistantship in a rural and regional area and then come back into a recognised training program, having been in supervision. We have not had one doctor actually take up that opportunity. If we had 400 unemployed doctors, I suspect we would be cut down in the rush.

The AMA has also referred to an overseas trained doctor practising in Newcastle. The government has issued provider numbers in Newcastle for a number of specialists in short supply in that city and one to an overseas trained doctor who is limited to doing home visits after hours only, under the same conditions that are available to Australian trained doctors. The Medical Training Review Panel was established by parliament to monitor access to postgraduate training places. Last year the training review panel report indicated that there will be about 1,483 training places available for junior doctors this year. So annually that is 1,483. This year there will be 1,200 medical graduates. As the Phillips report states:

... an attempt was made throughout this review to identify a junior doctor who had missed out on a training place. Despite continued anecdotal assurances that such people did exist this review was unable to identify any such individuals.

There are sufficient training places available for junior doctors, and indeed significant numbers of training places remained unfilled in disciplines such as psychiatry, rehabilitation medicine, geriatrics and intensive care. Two weeks ago I had the privilege of being able to address the annual leadership forum for the Queensland branch of the Australian Medical Association. Of course, when questions came up this was one of the issues that was raised, quite legitimately, by one of the young doctors. I said to him, ‘Look, being a member of parliament in a sense is like being a general practitioner. You run a clinic. You are doing everything you can to help people, to provide pastoral care to them. Then, when you come to Canberra to represent your electorate, to do what you can, given the perspective of your own constituents, to do the very best for Australia.’

I said to the audience that in our day-to-day lives—perhaps less so for me in the electorate of Bradfield, although I can still get quite a few—we deal with people who are losing their livelihoods, people whose businesses and the entire industry within which they work are disappearing or contracting from under their feet. We deal with people who are losing their homes. We deal with parents who are desperately concerned about what sort of future their children are going to have, or whether in fact they will have a job at all. The vast majority of these parents would feel in no way deprived if the son or daughter of whom they are proud ended up being a specialist in rehabilitation medicine or a geriatrician—where with collapsing age dependency ratios we are going
to have a far greater need as the years advance—or, indeed, an intensive care specialist. In other words, as understandably aggrieved as many young doctors may feel about this legislation and the removal of the sunset clause, you have to put life into some kind of perspective. If the worst thing that happens to you is that you end up being a consultant psychiatrist earning $250,000 a year, I respectfully suggest to my many friends and colleagues in the medical profession, 'Please just step back a little bit and have a look at what is happening in the rest of our society.'

In keeping with the government’s training places guarantee there is also an alternative career pathway to general practice for doctors through the clinical assistantship program, to which I referred earlier, designed specifically for rural areas. Any doctor who has not been successful in getting a training position will be given the opportunity to take up one of these clinical assistantship programs. To date, as I say, there has not been a single application for the program. I understand at the moment we are about 800 doctors short in rural and regional Australia, yet at the same time the young doctors are still I think running demonstrations and certainly lobbying members of parliament. At the same time they are doing that, we have got all of these people who are struggling to survive on the land, through fires, floods, droughts, all sorts of changes in the economic base of our country—

Mr Kerr—The Liberal Party in government.

Dr Nelson—and up until 1996 Labor governments—and who cannot get basic medical services. With respect to the balance of training places between general practice and specialties, the Australian Medical Work Force Advisory Committee has recommended an increased work force in a number of specialties. More specialist training positions is a benefit not only to the community but also to junior doctors, as many specialties are undersupplied. The New South Wales branch of the AMA has also made reference to the so-called excess demand for the 400 training positions by pointing out that there are more than 700 applications for the general practice training positions. This was also the case in 1997, yet eight training positions remained unfilled. These positions were based in North Queensland and southern New South Wales. A number of applicants to the GP training program were not prepared to travel to take up a training position, and a number put in applications for more than one specialty.

As I used to say to the doctors when I was privileged to be the President of the AMA, if young trainees in plastic surgery, bone transplantation, oromaxillary facial surgery or any one of the intense surgical or medical subspecialties are prepared to borrow money, to take their families to the United States or northern Europe for two years and to live on the breadline to get their skills, then, if you really want to be a general practitioner, you will go to Far North Queensland, western New South Wales or wherever you are required to get the skills for the discipline and the career that you have chosen. If prospective medical students really believe this situation is so harsh and unfair, why is the demand for places in medical schools increasing and not declining? In the end, training in medicine is a privilege. It is a privilege to have that training largely financed by the Australian taxpayer, but you then have a responsibility to return that, throughout the rest of your working life, to the community which has given you that opportunity. Many of the claims that have been made about the unfairness of this legislation have been quite misplaced. At times I think that, if some of the people that have put up arguments did the same thing in medical practice, they would be up before a disciplinary tribunal for negligence. They are not arguing their case on the basis of facts, and they should also step back and have a look at what is happening to our broader society.

Mr Mossfield (Greenway) (6.02 p.m.)—The Health Legislation Amendment Bill (No. 4) 1999 and the Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999 propose to make several amendments to the Health Insurance Act 1973. This legislation proposes to introduce a legislative framework for new arrangements under the Medicare Benefits Schedule for
pathology collection centres. It proposes to also change the rules relating to temporary resident doctors and the circumstances under which they can access Medicare provider numbers. It also proposes to remove a sunset clause due to expire on 1 January 2002 affecting newly trained doctors and their access to Medicare provider numbers.

There have been concerns over the past 15 years about overservicing in the pathology industry. In the early 1990s, a range of measures were introduced aimed at reducing the number of pathology outlets or collection centres. These changes were successful to the extent that rates at which pathology outlays were increasing from around 13 per cent were reduced to an average growth of six per cent. In 1994 the Commonwealth government reached agreement with the profession to cap outlays on pathology services over a three-year period. The results of this agreement include the agreed fiscal outcomes, with pathology outlays anticipated to fall within the agreed range of the total three-year target of $2.793 billion; continuing patient access to high quality pathology testing services and professional care; certainty in budget outlays to the government; and a stable operating environment for pathology practices.

In May 1999 the Commonwealth and the pathology profession entered into a second agreement, the Pathology Quality and Outlays Agreement, which is to run to 30 June 2002. This second agreement is part of an ongoing cooperation between the pathology industry and the government to manage outlays under the Medicare benefits arrangement and to build on previous agreements. The agreement aims to provide certainty and stability within the pathology sector while allowing for structural reforms and, hopefully, improved quality in pathology testing, use and practice. Over this period, the agreement aims to restrict to five per cent the average rate of growth in pathology outlays under the Medicare Benefit Schedule. The government would need to ensure, and I would be interested to know how, a high quality pathology service is to be maintained under this agreement.

During a recent illness, a constituent of mine was required to have five pathology tests over a four-week period as a doctor battled to identify the particular virus that was causing this constituent’s illness. Financial considerations should not be placed ahead of patients’ welfare. One specific effect of the changes in the legislation is to bring public and private collection centres under the same quota rules. This will have some competitive neutrality advantage, but public providers are concerned that the effect will be to weaken the public system, and this could lead to the closure of regional pathology services. In order to address these concerns, it is proposed to ensure that the rules that apply to the public systems are fair and that barriers they face are not increased. Most importantly, the new rules should allow public hospitals to collect samples outside the hospital premises so they can remain viable against private sector competition.

The ALP will move amendments in the Senate which would give substance to the Prime Minister’s commitment that there will be no further closure of services in regional centres. These amendments would require the government to ensure that any existing service in a rural town will not close unless an equivalent service is installed in that town. The intention of this legislation is to also introduce measures that will attract doctors to regional areas. As most doctors prefer to practise in capital cities and major centres, people in rural and regional Australia have a reduced standard of medical services. Some critics suggest that—and the previous speaker supported this view—there is a shortage of some 850 doctors in rural Australia.

A number of solutions to this problem have been put forward. The Rural Doctors Association has rejected the Prime Minister’s bonding system and has suggested instead a higher Medicare benefit for rural doctors. It is claimed that a large proportion of country GPs are obliged to charge above the schedule fee because of the higher costs they face. It is acknowledged by the profession that many country GPs charge up to $40 for a standard consultation, almost twice the standard Medicare rebate. This is clearly unfair to country residents. Veterans in rural areas are also disadvantaged under the policies of this government. The Auditor-General has found
that the Department of Veterans’ Affairs spends an average of $563 a year on health services for a veteran in a rural area compared with $773 on a veteran in a metropolitan area.

The Royal Australian College of General Practitioners has suggested a regional training program for general practitioners. The chairman of the RACGP rural faculty, Dr Ross Wilson, has stated:

By delivering training of general practitioners at a regional level we can ensure that registrars are being trained by rural doctors who know local circumstances and in addition, the intake of trainees can be adjusted to suit local needs. This will directly tackle the rural doctor shortage. Most doctors who have trained in a particular region will stay in that region to work for many years because they have developed a network of friends and professional support during their training years.

The GP registrars have also come out in support of the RACGP plans to boost numbers of rural doctors through a regionalized training program. The chair of the GP Registrars Association, Dr Meredith Arcus, issued a press release on this issue. It states:

The RACGP proposal to base train on regions will provide an ideal platform for GP registrars to build a strong professional network and acquire an understanding of the social and lifestyle advantage within their training region.

Dr Arcus said that some training was already being done on a regional basis and there was a very high retention rate for registrars deciding to stay within those regions upon completion of their training. Dr Arcus also strongly indicated that her organisation opposed the plan by the Australian College of Rural and Remote Medicine to, as she said, ‘take over’ training of rural doctors. She said:

Splitting the training program between two colleges will divide the profession, reduce flexibility in career paths and deter even more doctors from going to rural Australia. It is important to realise that doctors’ careers go through stages and a single flexible integrated training program paves the way for GPs to spend part of their career in rural areas.

However, the RACGP is united with the Rural Doctors Association in its opposition to the Prime Minister’s bonding scheme to lure medical graduates to rural areas. Dr Arcus says:

We also want the federal government to stop its ridiculous threats to impose bonds on registrars to force them to stay in rural areas and to make sure enough resources are available to fund more registrar places in this RACGP regionalised program.

Another means of addressing the shortage of medical practitioners in rural areas has been the use of temporary resident doctors recruited from overseas. These doctors have been recruited to fill particular positions identified as being areas of need. The recruitment process of a TRD has been complex and time consuming, involving every state and territory government, health departments, the state and territory medical boards, the Commonwealth Department of Health and Aged Care and the Health Insurance Commission. Complications also arose when the TRD’s visa expired. Overseas trained doctors who are permanent residents in Australia also felt that they were treated unfairly and that their qualifications and experiences were not always considered adequately in the selection processes for rural areas.

In an attempt to simplify the process, the Australian health ministers have agreed to a new recruiting program for overseas doctors. This program includes the following. Overseas trained doctors with formal postgraduate degrees in general practice may be assessed for registration by medical boards upon advice as to an alternative to completing the Australian Medical Council exam. Doctors registered on the above basis will be registered as a general practitioner only and will be required to work in rural areas for a minimum of five years. The assessment process for overseas trained GPs will be brought into line with the processes in specialist colleges. Processes will be established to ensure that existing permanent overseas trained doctors will be considered before new temporary resident doctors are recruited. The ALP supports this section of the bill.

In December 1996, the Commonwealth parliament passed what became the Health Insurance Amendment Act (No. 2). This act amended the Health Insurance Act 1973 to
require all new medical practitioners who wished to access Medicare benefits to have completed or be undertaking an approved training program. Previously, new medical graduates had been able to apply for a Medicare provider number upon completion of their intern year. This amendment caused considerable concern within the medical profession and among trainee doctors. Concerns were expressed about insufficient training positions for the number of graduates and possible unemployment amongst highly trained medical graduates. This opposition was supported by the ALP.

As a result of this opposition, the Senate imposed two requirements. The first was for a report to be made to parliament before December 1999 on the effectiveness of the new arrangements, and the second was to place a sunset clause to remove the restriction after 1 January 2002. The December 1999 report of the review, undertaken by former Liberal New South Wales Minister for Health Ron Phillips, was tabled just before the deadline. The report made few clear-cut recommendations and referred all of the critical issues off for further study.

Amongst the report’s recommendations was the repeal of the sunset clause. The sunset clause was intended to ensure that the government was required to demonstrate that its arrangements were working before they became permanent. However, the government has failed to show this, and there is evidence that the arrangements are failing to achieve their objectives. For this reason, the opposition does not support the removal of the sunset clause. The ALP considers that there is still considerable disagreement within the profession about the training of doctors for rural areas. Labor believes that student grievances should be dealt with on their merits and that a new policy for doctors’ training which is fair and provides long-term solutions should be developed. We cannot afford to go back to open-slather entitlements to Medicare provider numbers, as there is still a serious shortage of rural doctors. The ALP believes the policy needs to be completely reviewed and that the sunset clause should remain intact until this takes place.

Dr WASHER (Moore) (6.15 p.m.)—I rise to lend my support to both the Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999 and the Health Legislation Amendment Bill (No. 4) 1999. Both bills deal with changes under the Health Insurance Act 1973 and contribute to the whole package of reforms that this government has instigated in order to get our health system back on track. The amendments relating to the regulation of pathology services come out of an agreement entered into by the Commonwealth and the peak bodies involved in pathology in Australia. This is the second agreement between the two parties, with the first proving to be successful in reining in spending on pathology services. Both agreements aim to provide certainty and stability to the pathology sector, while at the same time ensuring a quality service within a certain budget.

It is generally acknowledged that at times there has been serious overservicing in pathology. One of the problems we face is the lack of record keeping in the health sector in general. Patients go to different doctors, who may order tests that have already been done. Medical centres do not always keep accurate enough records, so even if the two doctors are in the same centre it may not be on record anyway. I suspect that many tests are duplicated for the same patient. Due to this, I would support any measure that utilises the fantastic technology we now have to provide each patient with a number or a card that could quickly and accurately give a GP a history of the tests that the patient has already undertaken. It is the sign of a responsible government that it always considers how to use its resources to produce better outcomes for its constituents. If we can cut down on wastage and duplicity in the health sector, then the money we save will be spent on areas in more need. Throwing more money at the health sector is not always the most sensible option. Let us look at how we are using what we have now.

Of course, the other problem facing GPs when ordering tests is the threat of litigation. Doctors may tend to overtest when common-sense should prevail. It is quite a dilemma for the GP, because the stakes are high and it
may seem safer to order a test that may not be needed than to risk this litigation.

The first pathology agreement achieved a number of goals, including: a target budget for three years; a stable environment for the pathology industry; an enhanced dialogue between pathologists and requesters on the quality use of pathology; and a system to meet government outlays within, and compatible with, the fee-for-service system of remuneration of Medicare. The Australian Association of Pathology Practices and the Royal College of Pathologists of Australasia should be congratulated on working with the department and the HIC in a successful partnership.

This bill relates to the structural reform of the licensing scheme for pathology specimen collection centres to address competition and public policy concerns and interests. Currently, a Medicare benefit is not payable for a pathology service unless it is being collected in a licensed collection centre. Under the new arrangements, the old licensed collection centre scheme will be phased out over three years and replaced with new arrangements under the Medicare benefits system. The new system will be based on the accreditation of collection centres. This will shift the focus from controlling the number of facilities to an increased emphasis on the quality of practice.

The Health Legislation Amendment Bill (No. 4) contains measures that will simplify and streamline the process for overseas doctors who are applying to practise in areas with unmet need. The bill will also remove the inequity between the current rules for temporary resident doctors and those for overseas trained doctors that have permanent residency. The lack of doctors willing to practise in rural areas, and even in outer suburban areas like my electorate of Moore, is indeed a major area of concern. It is hard enough to encourage GPs and specialists to come to the northern suburbs in my electorate—suburbs which are only 30 to 40 kilometres from the CBD—so I can understand the difficulties faced by isolated communities in the bush. Just recently, the only doctor in the Yanchep-Two Rocks-St Andrews area departed with no guarantee of a permanent replacement. The use of temporary resident doctors offers one short-term solution, and incentives to encourage Australian graduates into rural areas are commendable.

We also need to give young doctors the confidence to practise in rural areas, and utilising new technologies such as telemedicine would assist this goal. Doctors in the bush need backup through a reliable locum service, and last year the Minister for Health and Aged Care announced a $100,000 boost to attract locums to rural communities. This increased the federal government’s commitment to the Locum Coordinating Program, which provides locum relief work in rural areas so that doctors are able to take time off to study or just to have a break from the demands of their practice. However, isolation is not the only barrier that rural doctors face. The proposal to increase medical rebates in rural areas to compensate for increased costs in the country has merit. Rural doctors face additional costs for practising in isolated areas, including increased travel, building and communication costs, and partners may have difficulty in getting work.

This bill also removes the sunset clause that was included in the Health Insurance Amendment Act (No. 2), which was passed with amendments in 1996. This legislation recognises the fact that Australian medical schools send out graduates who still need to undergo specialist training before they can apply for a Medicare provider number.

These changes acknowledge that general practice is its own unique discipline and requires its own specialist training before practising unsupervised. The sunset clause was added to the legislation after concerns were raised that young doctors would become unemployed and there would not be enough training positions for medical graduates. We have now had four years under this legislation and four years worth of medical graduates. To say that the claims of young doctors ending up on the Centrelink queue because they would not be able to get a training place were a gross overreaction is an understatement.

The repeal of the sunset clause is one of the 10 recommendations made in the Phillips report. When the former New South Wales health minister completed his report last year,
Ron Phillips could not find a single doctor in Australia who had missed out on a training place or was out of work because of the 1996 legislation. Furthermore, the Clinical Assistantship Program was set up to cater for young doctors who missed out on a training place by giving them an opportunity to take up a CAP position in an area of unmet need. Do you know how many junior doctors have applied for these positions because they missed out on a training place? Absolutely none. This is because there have been enough training places for graduates, and in fact some places could not be filled in disciplines such as psychiatry, geriatrics and intensive care. In addition, the number of training positions will increase for the year 2000 graduates by 6.5 per cent to 1,438. Junior doctors have not needed to apply for CAP.

The Medicare provider number restrictions also apply to overseas trained doctors to ensure they enter areas of unmet need in public hospitals and isolated areas. As a result of this requirement, the number of doctors in rural areas has increased by seven per cent in the last two years. It is certainly not enough for us to be satisfied with the health service received in these isolated regions, but it is a very promising step in the right direction. There is the danger, as the health minister pointed out, that if this legislation is not passed doctors will desert their rural postings and come back to the cities while overseas trained doctor who have come to Australia to work in rural areas will no longer be obliged to stick to that obligation. The Medicare provider number legislation has not harmed junior doctors or rural medicine in any way which was predicted by detractors when it was first introduced. I call on the House to support the removal of the sunset clause as well as all other measures included in this bill.

Debate (on motion by Mr Martin) adjourned.

A NEW TAX SYSTEM (FAMILY ASSISTANCE AND RELATED MEASURES) BILL 2000

Consideration of Senate Message

Consideration resumed.

Senate’s amendments—

(1) Clause 2, page 2, line 12, omit “Item 5”, substitute “Items 1A, 1B and 5”.

(2) Schedule 1, item 8, heading to section 25, page 6 (line 16), omit “10%”, substitute “30%”.

(3) Schedule 1, item 8, page 6 (line 31), omit “10%”, substitute “30%—or, if another percentage between 10% and 30% is determined under subsection (1A), that percentage—”.

(4) Schedule 1, item 8, page 7 (after line 2), after subsection (1), insert:

(1A) If:

(a) the Secretary is satisfied there has been, or will be, a pattern of care for an individual (the child) over a period such that, for the whole, or for parts (including different parts), of the period, the child was, or will be, an FTB child of more than one other individual in accordance with subsection 22(2), (3), (4), (5) or (6); and

(b) one of those other individuals makes, or has made, a claim under Part 3 of the A New Tax System (Family Assistance) (Administration) Act 1999 for payment of family tax benefit in respect of the child for some or all of the days in that period; and

(c) the Secretary is satisfied that the child was, or will be, in the care of that last-mentioned individual for at least 10% of that period;

then, on the application of and with the agreement of the individuals who care for the child, the Secretary may determine a percentage between 10% and 30% as the percentage to apply for the purposes of paragraph (1)(c).

(5) Schedule 2, page 243 (after line 12), after item 117, insert:

117A Section 132

Repeal the section.

Mr ANTHONY (Richmond—Minister for Community Services) (6.26 p.m.)—I indicate to the House that the government proposes that amendments Nos 1 and 5 be agreed to and that amendments Nos 2, 3 and 4 be disagreed to. Therefore, I suggest that it may be convenient for the House to consider amendments Nos 1 and 5 firstly and then, when those amendments have been disposed of, to consider amendment Nos 2, 3 and 4. I move:
That amendments Nos 1 and 5 be agreed to.
Amendment Nos 1 and 5 are technical in nature and ensure that A New Tax System (Family Assistance and Related Measures) Bill 2000 operates efficiently.

Question resolved in the affirmative.

Mr ANTHONY (Richmond—Minister for Community Services) (6.27 p.m.)—I move:

That amendments Nos 2, 3 and 4 be disagreed to.

The measure relating to the introduction of the 10 per cent threshold for the sharing of the family tax benefit was actually agreed to by the Australian Labor Party in June last year. Between mid-March and May, 2.3 million families will be sent an information package to advise them of the new arrangements commencing on 1 July 2000. To date, over one million families have received this package, which resulted from the legislation put through in June last year relating to shared care. At the time I believe the Australian Labor Party supported it. Parents are being requested to complete and return a claim form based on the information provided in the package. Information in the package includes comprehensive details about the shared care arrangements as passed by the parliament in June last year.

The ALP’s proposed amendments would move the sharing threshold to 30 per cent and allow sharing of payments at a lower level on application but only with the agreement of the separated parents. The proposed amendments would result in up to 5,500 losers among parents already receiving family allowance who have less than the 30 per cent care. The proposed amendments would give power to one parent with between 70 per cent and 90 per cent care to determine the financial circumstances of their former partner who has up to 30 per cent care of the child. This is clearly unfair if we are trying to encourage families, custodial and non-custodial parents or payees and payers to have more contact with their children.

As payment could be shared only by the agreement of both separated parents, the proposed amendments would create a dispute environment between the parents that is not created under the current system. To ensure fairness it is essential that the parents’ entitlement to family assistance be determined by the Family Assistance Office and not be dependent upon the discretion of a former partner. In many ways that will lead to more acrimony, I believe, in the sharing arrangements where children are involved. The proposed amendments would put at risk the entitlements of parents who have a substantial ongoing care arrangement for the child—that is, every weekend or every second weekend, plus the school holidays. I would be surprised if there not would be many members in the Labor Party in this parliament who would disagree with the amendments that have been proposed by their party.

Any change now would jeopardise the proper implementation of the family assistance legislation and result in increased administration costs to alter work that is already well under way. This was done with full transparency back in June last year. The changes would also increase the ongoing costs of administration. Initial estimates of that cost are $23.7 million in 2000-01 and $21 million in subsequent years. This government believes that 10 per cent is a reasonable test of material care, recognising that parents with this level of care incur significant cost in caring for their children. Quite frankly, to keep families together we should be encouraging more contact—and that is why those provisions have been put in the family assistance package.

Recent Australian research shows that parents providing this level of care will incur relatively significant costs due to the need to provide bedrooms, furnishings, food, clothing, health care and entertainment. The irony is that the 1996 family law reforms, which were certainly supported by the Australian Labor Party, were introduced with the intention of promoting the parenting role of both parents. This is exactly what many of your members were advocating not so many years ago—the continuing role of both parents in the lives of their children following separation. Quite frankly I cannot understand the logic of why you are proposing this. We are trying to encourage people to have more contact with their families. That is why we
are reducing that 10 per cent level now. What would happen under your arrangement is that there would be a do-or-die to get over that 30 per cent level. It is still at the discretion of one of the partners, which is not fair. These are unreasonable amendments and I hope that you have a conversion on the road to Damascus and change your opinion. These proposed amendments are wrong—they are wrong for the children and they are wrong for families.

Mr ALBANESE (Grayndler) (6.32 p.m.)—I rise to put the Australian Labor Party’s position once again on this issue. The fact is that we have taken a conciliatory approach to the A New Tax System (Family Assistance and Related Measures) Bill 2000. We have a number of difficulties with it: firstly, the requirement that families estimate annual income in advance with no margin for error before receiving family tax benefits A and B and, secondly, the changes to income tests that will leave families worse off when one parent takes maternity leave. We have taken the position that, in spite of our reservations about these particular aspects of this bill, we will not oppose it. We will support its passage because we understand that little can be done to remedy these first two issues without substantial redrafting of the legislation. So we have been very reasonable.

The third issue concerns the shared care provisions of this legislation. I would hope that the government could be more cooperative on these provisions. In spite of what the minister has said, he has not outlined to the House the fact that our amendments are totally consistent with the current situation and totally consistent with the current arrangements for the Child Support Agency.

Mr Anthony interjecting—

Mr ALBANESE—You are the government, Larry—you are the minister who is responsible for the Child Support Agency. The current situation is that 30 per cent of the provision of care needs to be in the hands of the non-custodial parent before they can gain access to this income support. But Labor’s amendments have compromised and have a win-win situation. We have said that, where both the custodial parent and the non-custodial parent agree, the 10 per cent provision can apply. We are about encouraging parents to talk, about encouraging cooperative parenting, which is what our amendments are aimed at. If the minister is so horrified by the current provisions, he needs to consider that this government has been in place since 1996. This is the first time it has been proposed in legislation that a 10 per cent provision should replace the 30 per cent provision.

No person should be in a worse position as a result of the Australian Labor Party’s amendments, which were adopted by the Senate. We are very concerned about the implications of this bill. We are concerned that this will be yet another cost-cutting measure of the government. At the moment, under the government’s original legislation, if these amendments are not carried custodial parents will automatically lose money when they declare shared care arrangements. Further, we are concerned that this assistance may be lost to families because there is no active mechanism to contact non-custodial parents who become eligible for assistance for the first time. Briefings from the Department of Family and Community Services have confirmed that only non-custodial parents who are already receiving a share of family allowance will be contacted directly and advised about the new arrangements. So you take money off the custodial parent, you put that in the little savings bag so you can give your income tax cuts to those wealthy people at the big end of town, and there is no provision in this legislation for non-custodial parents to be contacted. There has been no commitment given by the department or by the minister that that will occur. I indicate to the minister across the chamber tonight that the shadow minister for family services and the aged, Senator Evans, is writing to Senator Newman this evening along those lines, seeking assurances that those parents who are currently outside the system but are sharing care will be contacted directly by the Family Assistance Office, Centrelink or the Child Support Agency.

There is a serious deficiency in the way that this legislation has been drafted. The fact is that, when this was raised in the Senate—in spite of the token anger from the minister opposite—Senator Newman, the Minister for
Community Services, indicated that our amendment had considerable merit. (Extension of time granted) Senator Newman suggested that there should be an inquiry to evaluate the outcome of this legislation and that that should be reported back to the Senate. We are hopeful that this reflects a commitment on the government’s part to improve this legislation to ensure that there is a fair result on the shared care issue. We are very concerned. The acronym for this bill is entirely indicative of this government—ANTS(FARM)—because this is a very small-minded government. When it comes to making cuts, no family and no child is immune from this government’s attitude.

Mr Anthony interjecting—

Mr ALBANESE—That is the whole point, Larry. The minister opposite has not acknowledged the fact that, if this legislation is not amended, we could see custodial parents missing out and having their funding reduced and non-custodial parents not being the beneficiaries of it. He has failed to respond to that. The minister has also failed to respond to why in the year 2000 his government says, ‘Oh, no, we can’t have 10 per cent as the figure. No, we can’t encourage cooperation between custodial and non-custodial parents as to how these arrangements will operate. We can’t have that’—even though we are basing our amendments on the existing provisions of the Child Support Act; even though, as outlined by the opposition, our amendments will result in no-one being worse off.

With regard to the government’s advertising, as the minister has already indicated—and this makes this a pretty bizarre government—it has spent millions of dollars advertising information to people before the legislation has been carried. But why should we be surprised about that? Here we have a minister arguing, ‘We’ve taken out the ads already. Therefore, you should just roll over and agree.’ The fact is that we have agreed substantially to put aside our differences with regard to this legislation, because we do not want to see families who are already going to be suffering enough after 1 July suffer more as a result of this government’s incompetence.

Yet again we have the government in here with technical amendments to their own legislation because they cannot get it right the first time. We will be pursuing our shared care amendments and we will be calling a division on them in this House this evening, because we believe that we have put up a reasonable, conciliatory, win-win position. We retain the existing provision for 30 per cent to be the key figure rather than 10 per cent, but we say through the Senate amendment that, where cooperative parenting can be encouraged, we will support that and we will support a greater involvement of separated parents in the lives of their children. That is what our amendment seeks to do, and that is why the government, in the interests of proper cooperation, a better package and improving their own legislation, should be saying, ‘We’ll accept the Senate amendment.’

Mr ANTHONY (Richmond—Minister for Community Services) (6.41 p.m.)—I thank the member for Grayndler for his contribution. I genuinely believe that he has been misinformed about some of the intent of this legislation. I can only say that as generously as possible, because this was dealt with by the parliament in June last year and the 10 per cent threshold for the sharing of a family tax benefit was agreed. It was set, and it has been widely advertised. We are not remiss in that, because we want to inform the Australian people of the benefits that are coming through to many millions of Australian families, particularly through family assistance.

One area that I feel quite passionate about—and in this respect I think many members of the Labor Party would disagree with this amendment—is that we do want to encourage more contact between separated families and we do want this recognised within the FTB. The proposed Labor Party amendments propose that there has to be an agreement between the two parties. We do not live in utopia and we cannot always get agreement. That is why there is a Child Support Agency. That is why you put that agency in place back in 1988, for all the very right reasons—to ensure that children were supported, that non-custodial parents provided
maintenance to custodial parents, the primary carers, and that funding got through to the children.

This legislation continues to ensure that we do have contact between the parents and their children and that that is recognised within the family tax benefit—because it does cost. If I had to look after my children for 25 or 29 per cent of the time, I think I should be entitled to some of that family tax benefit. As it is now under the Labor Party amendments, if there is not agreement, there is a do or die clause where I have to hit that 30 per cent. That is what currently exists. I do not deny that some of the current legislation is not perfect, but there is quite a strong precedent now that you have to reach that 30 per cent to get any type of recognition, and that is why we believe it should be a sliding scale and it should be brought down to 10 per cent. I do not believe the children would be worse off under this. It is a long overdue recognition that non-custodial parents should be given some type of financial assistance. I really think the Labor Party have been misled—well-intentioned as they may be—by some other elements or lobby groups that have attempted to change this legislation.

We do appreciate the dialogue that has taken place on some of the wider applications of this bill. But, in this particular area, this is fair. It is equitable. It allows recognition of the role both parents play in sharing the looking after of their children. That is what some of family law reform is. This whole parliament is about ensuring that, with the acceleration in the number of families breaking up, there can be more contact between the parents and the child so it is a better world for that child to grow up in. That is precisely why we have these current amendments in the legislation. They recognise the capacity for there to be added costs even if you are looking after your children less than 30 per cent of the time. It really is unrealistic to assume that both parents will agree. If that happens, fine, but it does not always happen.

These Senate amendments are superficial. They perhaps have the appearance of trying to strike a reasonable balance in the situation where payments can be shared below a 30 per cent threshold. However, they fail to acknowledge that there is not currently a 30 per cent threshold for family allowance and that the main payment has been rolled into the family tax benefit. The opposition has been trying to paint a picture of the family allowance based on a 30 per cent threshold and that, therefore, the government is reducing the threshold to 10 per cent. The true picture is that there is no threshold percentage for family allowance. Furthermore, the amendments fail to make clear that the proposed discretion to allow sharing between 10 per cent and 30 per cent would not apply for many parents. This is because the discretion can be applied only if both parents agree.

Question put:
That Senate amendments Nos 2, 3 and 4 be disagreed to.

The House divided. [6.51 p.m.]

(Mr Deputy Speaker—Mr H.V. Quick)

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

AYES


Mr Anthony (Richmond—Minister for Community Services) (6.55 p.m.)—I present the reasons for the House disagreeing to Senate amendments Nos 2, 3 and 4, and I move: that the reasons be adopted.

Question resolved in the affirmative.

Mr Martin (Cunningham) (6.56 p.m.)—The two bills that we are debating this evening are the Health Legislation Amendment Bill (No. 4) 1999 and the Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999. It is interesting that when one looks at the second of those two bills there is the introduction of a new tax, a new tax which this government said they would not introduce—no new taxes, no increases in existing taxes. Yet we see at the very first opportunity—and it does not matter whether it is in health or anything else—that they take the option of introducing a brand new tax. Notwithstanding that, as has been indicated by the shadow minister for health, Labor will not be opposing this particular measure, although we will be moving some amendments.

The legislation itself makes a number of amendments to the Health Insurance Act 1973. The main contents of this bill will be, firstly, to provide the legislative framework for the new collection centre arrangements under the MBS which will apply to both public and private sectors from 1 July 2000; secondly, to simplify and clarify the rules relating to temporary resident doctors and overseas trained doctors and the circumstances in which they can access Medicare; and, thirdly, to remove from 1 January 2002 the sunset clause from section 19AA. There are a number of other technical machinery amendments, one of which is to the definition of ‘professional services’ in subsection 3(1) to clarify that a dental practitioner who is able to render a Medicare payable service must have been approved for this purpose by the minister in writing.

In terms of the pathology specimen collection centres element of the legislative changes, this has been deemed necessary for
a number of reasons. The present arrangements relating to licensed collection centres will be replaced with simplified arrangements for approved collection centres. Presently those approved pathology authorities are allocated units of entitlement, in accordance with principles determined under the act, for a calendar year beginning 1 February and must seek the grant of licences for individual specimen collection centres. Under the new arrangements, approvals will be granted to approved pathology authorities for particular approved collection centres on a financial year particular basis.

In respect of the bill itself, as I indicated, the tax bill sets the tax payable at the same rate of $1,000 for a full year as that presently payable under the Health Insurance (Pathology) (Licence Fee) Act 1991 in respect of the grant of a licence for a licensed collection centre under section 23DNE of the act. I think that outlines, under the explanatory memorandum, the major issues that these two bills seek to address.

However, in contributions this evening I note that members have made some comment about the issue of doctor shortages, about the need for flexibility to be provided in training of young doctors to be GPs and about the need for some fairly extensive experience to be gained by doctors as GPs before they become specialists. Concern has also been expressed about the way in which doctors are able to be sustained in rural and regional parts of Australia. That is a genuine concern on both sides of the House. I think that among the issues that are always of interest to young doctors when they complete their training are: where can I go to establish a private practice; where is there where a pharmacy will locate next to me; and how quickly can I get a Medicare provider number so that I can hang out the shingle? I think it is important that Australian doctors are encouraged to ensure that services are delivered to people living in rural and remote areas. In some respects they may see it as not as attractive as an urban environment, but people in those areas are expecting that they will get the same level of service. Of course, it does not always apply when one talks about specialists—and one can understand that as well.

Even in urban areas such as Wollongong we find that the same range of medical specialist facilities is not available at every hospital facility. That is an understandable position. But in rural, remote and regional areas of Australia it becomes a far more difficult thing.

Another issue of concern relates to the temporary resident doctors and differences that occur with medical registration. In some respects, this does reflect concerns about ensuring that there are medical people in rural and regional Australia. I know that the shadow minister did raise a concern about doctors—particularly those from overseas and indeed young doctors—being sent or encouraged to go to rural areas and that becoming compulsory as part of any licensing arrangement that might occur. Compulsion is not always the most effective way to ensure that services can be delivered, whether by doctors or anyone else. So it is an issue that needs some consideration.

On this side of the House we are also concerned about the issue of the sunset clause. We believe that some of the issues confronting young doctors need further consideration and review. Accordingly, we do not believe it appropriate at this stage for the sunset clause to be removed. We believe that whilst the minister may at this stage consider all the issues have enabled him to make relevant policy decisions with respect to the provision of medical services throughout Australia maybe the opportunity for young doctors to be given an extension of time to put points of view should be taken—and hence the sunset clause should remain.

As I said earlier, this is legislation which raises one or two issues about the shortage of medical staff in Australia. Whilst a number of the speakers in this place have talked about the shortage in rural and remote Australia, I think it is also important to note that some of those shortages do exist in specific sectors of the Australian community. One that has been highlighted through my responsibility as the shadow minister for defence relates to the shortage of specialist medical staff within the ADF. I guess it is always a difficult thing for people to know but, since a specialist can probably command a fairly
substantial income in private practice, we do see from time to time a shortage of medical specialists coming to the fore and committing their life to the rigours of the ADF and the loss of income that by necessity comes with that as well. Whilst this is not new, it is something which is somewhat exacerbated at the moment and it is why this issue of medical practitioners in the reserves system has to be looked at.

For example, when I had the opportunity to visit East Timor last year, we saw first-hand the commendable efforts that were being made by medical staff. When doctors and nurses were questioned, the anaesthetist had come from a leading Brisbane hospital and one of the orthopaedic surgeons was from Sydney. But they were all in the reserves and can only spend a certain amount of time in deployments of that nature away from their busy medical practices, or they may have resident or visiting doctor status at important hospitals around Australia. It is an issue we need to give some consideration to. Whilst it is not directly related to the issue of young doctors, doctors being in short supply or the issue of compulsion in trying to make doctors go to regional and remote Australia, nevertheless it does highlight another problem about medical specialists and medical staff in Australia that needs to be dealt with. In the future, should similar deployments of the nature of East Timor come along, there is going to be yet another need for these sorts of people. Had East Timor been a much more ugly event than it subsequently was and had there been a need for specialists and medical personnel to really be involved with people seriously wounded, injured or whatever, clearly we would have been faced with some real problems.

I know this was an issue which Labor highlighted last year, but I do not think any of the statistics that my colleague the shadow minister for defence, science and personnel or I have seen give us any confidence that the government has looked at ways in which this issue might be tackled within the ADF. Whilst it is not necessarily a matter specifically for the minister for health at the table, nevertheless I am sure it is one he would like to discuss further with his colleague the minister for defence. When we start to look at the future structure of our defence force in the white paper, the seamless relationship between the reserve forces—whether they be medical specialists or whatever—and regular defence personnel might loom as an issue of some concern. As I have indicated, the two bills we are debating tonight are bills of significance. They are bills which the opposition has indicated they will not oppose, but there are two amendments we would certainly like to speak more about briefly, and I will leave my comments there.

Dr WOOLDRIDGE (Casey—Minister for Health and Aged Care) (7.08 p.m.)—in reply—I thank honourable members for their contribution to this debate. The Health Legislation Amendment Bill (No. 4) 1999 and the Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999 are being considered together. I am pleased to see the opposition supports most of this bill, apart from repealing the sunset clause on the provider number legislation. The member for Jagajaga outlined in her speech that she supports the broad principle of restricting provider numbers to doctors with appropriate qualifications. I am pleased to hear this. But she has complained about the rules and the need for junior doctors to have experience in general practice before making career decisions.

The fact is that both the mid-term review, the Phillips report, and the Medical Training Review Panel report clearly indicate there are plenty of training positions available for young doctors. So doctors do have flexibility in choice in their career options. Ron Phillips could not find a single doctor who was missing out on a training position anywhere in Australia, even though there were apocryphal stories that such people existed. The legislation has put a stop to untrained and inexperienced doctors setting up in general practice. It recognises general practice as a distinct discipline requiring specialist training. It is an issue, as much as anything, of cost. I may have some more to say about this later.

I note the Medical Training Review Panel has recommended that a scheme of community and rural placements be developed to
provide the opportunity for newly graduated doctors to broaden their experience before making career choices. This would be a good idea, although I am dubious as to whether states or territories are going to make time available in PGY1 or PGY2 for this to happen. Of course this has been their traditional area of responsibility.

I would also like to add that I will be moving an amendment to the Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999 in the consideration in detail stage of that bill. I thank honourable members for their contribution. I commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Ms MACKLIN (Jagajaga) (7.10 p.m.)—by leave—I move:

(1) Schedule 1, item 7, page 4 (lines 22 and 23), omit the item.

(2) Schedule 1, item 9, page 5 (lines 1 and 2), omit the item.

I set out in my remarks earlier this evening the reasons for moving these amendments. Basically, the opposition is seeking to keep the sunset clause in the legislation to ensure that the issues that the Minister for Health and Aged Care has just remarked on in his closing contribution to the second reading debate on this bill are pursued. The junior doctors are concerned about having greater flexibility in their training. For that reason we are keen to see the sunset clause retained and these issues further pursued by the government with the junior doctors over the next year or so. The sunset clause is due to stay until 2002. We hope that during that time the government will see fit to negotiate with the junior doctors to address their concerns.

Dr WOOLDRIDGE (Casey—Minister for Health and Aged Care) (7.11 p.m.)—I will just briefly answer that, if I may. When Ron Phillips, a former New South Wales health minister, reviewed this legislation he said the sunset clause should be repealed immediately. The fact is that no government in the future is going to do anything but keep this legislation in place and it gives junior doctors false hope.

I should put on the record the claims made by the AMA in 1996 and by the ALP at the time—claims made aggressively and claims made frequently in the media. They claimed that this legislation would lead to 400 unemployed doctors a year. This legislation took effect on 1 November 1996. We have had four graduations of doctors since then. So if we had believed the AMA, the young doctors or the ALP at the time, there would be 1,600 doctors in Australia without employment. The fact is Ron Phillips looked and could not find a single doctor anywhere in Australia. The claims were alarmist, overblown and no credit to anyone who made them. You can understand my being a little bit sceptical then about claims being made today, because one of the benefits of having been in this job a while is you do get some corporate memory.

I am keen to see the issue of young doctors and their training progressed. The government has done this, but it should be very clear that postgraduate years 1 and 2 are areas of state government responsibility. This legislation is about quality, it is about recognising that you cannot go into general practice unsupervised and it is about getting doctors into rural Australia. There are 150 doctors in rural Australia at the moment who would leave rural Australia and come back to cities if this sunset clause were to stay and the legislation lapsed. I am simply not prepared to put that stress and that fear on rural communities. I am not prepared to give young doctors false hope.

This legislation has been a stunning success. We have made far greater progress on training issues than any government has previously. To somehow tie the continuation of doctors in rural Australia and quality issues in general practice on some arbitrary whim of state governments I think is something that gives people false hope and is something the government certainly will aggressively oppose.

Ms MACKLIN (Jagajaga) (7.14 p.m.)—I just want to ask the minister—particularly as he makes remarks about his concern about quality, which of course I entirely support—whether or not he intends implementing an-
other recommendation of the Phillips report, which also goes to this question of quality, about preventing junior doctors working as locums.

Dr WOOLDRIDGE (Casey—Minister for Health and Aged Care) (7.15 p.m.)—I am hesitant to have an exchange across the table, although given the format of consideration in detail it is always possible. I presume the honourable member is referring to working in after-hours clinics and that in some after-hours clinics there are exemptions given for young doctors. I am inclined to take up that recommendation, but not immediately.

Some of the doctors working in those clinics may be recruited from overseas. The lead time in recruitment of overseas doctors can be very many months. For example, it was put to me in December that recruiting was being done for August-September this year. I have never had the desire to put locum services out of business, but have them use appropriate people. I think the majority of doctors these services serve would rather have someone than nobody. Although I think in the longer-term I would be looking to implement the Phillips recommendation, I am a bit hesitant to cause havoc to a system that is working at the moment and that has very long lead times.

Question put:
That the amendments (Ms Macklin’s) be agreed to.

The House divided. [7.20 p.m.]

(Mr Deputy Speaker—Mr G.B. Nehl)
Ayes............ 60
Noes............. 76
Majority......... 16

AYES
Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Beareton, L.J.
Burke, A.E. Byrne, A.M.
Cox, D.A. Crean, S.F.
Crosio, J.A. Danby, M.
Edwards, G.J. Emerson, C.A.
Evans, M.J. Ferguson, L.D.T.
Ferguson, M.J. 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.
Kernot, C. Kerr, D.J.C.
Latham, M.W. Lawrence, C.M.
Lee, M.J. Macklin, J.L.
Martin, S.P. McClelland, R.B.
McFarlane, J.S. McLeay, L.B.
McMullan, R.F. Melham, D.
Morris, A.A. Mossfield, F.W.
Murphy, J. P. O’Byrne, M.A.
O’Connor, G.M. O’Keefe, N.P.
Pibersek, T. Price, L.R.S.
Quick, H.V. Ripoll, B.F.
Roxon, N.L. Rudd, K.M.
Sawford, R.W. Sercombe, R.C.G *
Sidneybottom, P.S. Smith, S.F.
Snowdon, W.E. Tanner, L.
Theophanous, A.C. Thomson, K.J.
Wilkie, K. Zahir, C.J.

NOES
Abbott, A.J. Anderson, J.D.
Andren, P.J. Andrews, K.J.
Anthony, L.J. Bailey, F.E.
Bailey, F.E. Barresi, P.A.
Baird, B.G. Bishop, B.K.
Bartlett, K.J. Brough, M.T.
Bishop, J.I. Cameron, R.A.
Cadman, A.G. Charles, R.E.
Causley, J.R. Downer, A.J.G.
Costello, P.H. Elson, K.S.
Draper, P. Fahey, J.J.
Entsch, W.G. Forrest, J.A *
Fischer, T.A. Gambaro, T.
Galus, C.A. Georgiou, P.
Gash, J. Hawker, D.P.M.
Haase, B.W. Hull, K.E.
Hockey, J.B. Katter, R.C.
Jull, D.F. Kelly, I.M.
Kemp, D.A. Lawler, A.J.
Lieberman, L.S. Lindsay, P.J.
Lloyd, J.E. Macfarlane, I.E.
May, M.A. McArthur, S *
McGauran, P.J. Moore, J.C.
Moylan, J. E. Nairn, G. R.
Nelson, B.J. Neville, P.C.
Negent, P.E. Prosser, G.D.
Pyne, C. Reith, P.K.
Ronaldson, M.J.C. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. Slipper, P.N.
Somlyay, A.M. Southcott, A.J.
St Clair, S.R. Stone, S.N.
Sullivan, K.J.M. Thompson, C.P.
Thomson, A.P. Truss, W.E.
Tuckey, C.W. Vaile, M.A.J.
Vale, D.S. Wakelin, B.H.
Washer, M.J. Williams, D.R.
Wooldridge, M.R.L. Worth, P.M.

PAIRS
Beazley, K.C. Howard, J.W.
Swan, W.M. Hardgrave, G.D.

* denotes teller

Question so resolved in the negative.
Bill agreed to.
Third Reading
Bill (on motion by Dr Wooldridge)—by leave—read a third time.

HEALTH INSURANCE (APPROVED PATHOLOGY SPECIMEN COLLECTION CENTRES) TAX BILL 1999

Second Reading
Consideration resumed from 9 December 1999.
That the bill be now read a second time.
Question resolved in the affirmative.
Bill read a second time.

Consideration in Detail
Bill—by leave—taken as a whole.

Dr WOOLDRIDGE (Casey—Minister for Health and Aged Care) (7.26 p.m.)—I move:
(1) Clause 3, page 2 (lines 3 and 4), omit the definition of approval, substitute:
approval means an approval for a specimen collection centre granted to an approved pathology authority under section 23DNBA of the Health Insurance Act 1973, but does not include an approval where the collection centre is on the same premises as a category GX or category GY pathology laboratory.

Note: Categories of pathology laboratory are prescribed under section 23DBA of the Health Insurance Act 1973.

This amendment will amend the Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999. The purpose of the amendment is to exclude collection centres located on the same premises as a category G laboratory from the tax. The effect of this measure will result in the tax being applied more equitably between public and private sectors. The pathology profession has asked for this exclusion on the basis that most public sector category G laboratories are recognised hospital premises and do not require an approval, and therefore do not pay the approval tax. Conversely, most private sector category G laboratories are not on recognised hospital premises and would require an approval for collection centres on these premises.

The government considers this to be a legitimate concern. Moreover, exclusion of these collection centres from tax is fairer and is consistent with our approach to adopt a more uniform approach towards regulating public and private sectors in this area. Revenue implications of this amendment are minor and are in the order of $100,000 a year. However, in doing this the government is recognising the contribution of the pathology profession through its ongoing cooperation through the memorandum of understanding to help us constrain Medicare outlays and promote better use of pathology by both those requesting and providing pathology services. The alternative would have been to go down the path of introducing the tax on collection centres in public hospitals. This would have been unacceptable to that sector.
Amendment agreed to.
Bill, as amended, agreed to.

Third Reading
Bill (on motion by Dr Wooldridge)—by leave—read a third time.

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
Motion (by Dr Wooldridge) proposed:
That the House do now adjourn.

Film Classifications
Mr MURPHY (Lowe) (7.28 p.m.)—I refer to an article which appeared in the Catholic Weekly on 26 March concerning the general run of movies we are experiencing in Australia. In this article Father Brian Lucas answers a question put to him in an article titled ‘Movies attack values’. Father Lucas says:
No doubt there are movies that are little more than exercises in exhibitionism and they present violence in a way that is demeaning of human dignity. They should be avoided, and, in the right circumstances, publicly condemned, preferably by competent film reviewers.

It is even a strategy of some distributors to whip up controversy so that a few seconds of the movie
can be shown on the television news. This is cheaper than paying for promotion and advertising.

In light of Father Lucas’ observations, I have in the forefront of my mind the movie *Dogma*, which was a blatant attack on Christian belief systems and brought the management of Village Roadshow Pty Ltd into serious disrepute for their blatant contempt for contemporary social values and religious beliefs. We have had a spate of movies classified by the Office of Film and Literature Classification, including the movie *Romance*, designed to undermine social values and further attack religious beliefs. It is difficult to understand why the office’s classification boards permit the classification of such rubbish. The trend of film classification is clearly that more violent, more offensive movies are being classified by the Office of Film and Literature Classification and are therefore being legally permitted to be exhibited by distributors in Australia—thereby encouraging, indeed materially assisting, the production of such rubbish. In the *Catholic Weekly* article I have already referred to, Father Lucas goes on to give prudent advice to the cinema artists about their duties, and this is worth citing in the House tonight. To the cinema arts industry, Father Lucas says:

I would now like to address you, cinema artists, to invite you to be even more aware of your responsibility.

The cinema can become the interpreter of this natural propensity and be a place for reflection, for appeal to values, for invitation to dialogue and for communion ... The best way of ensuring the cinema meets these ideals is for us to give our patronage to that which is worthwhile and uplifting, and avoid the rubbish that panders to baser instincts.

I would now like to cite the related issues of violence and sex in our media. These presentations are demeaning of human dignity. They expose us, in our participation as spectators, to the unfolding evil that is burnt into our consciousness. This is especially true for the young, who are particularly vulnerable and impressionable.

I am also very grateful to have been provided with a copy of a very relevant book from the local pastor of the Ashfield Presbyterian Church, the Reverend Peter Hastie. The book is *On Killing*, written by Lieutenant Colonel Dave Grossman. This authoritative text deals with the psychological cost of learning to kill in war and society. The Reverend Peter Hastie also provided me with a copy of an article published in the *Australian Presbyterian*, titled ‘Trained to Kill’, also written by Lieutenant Colonel Grossman, which explains how the media conditions children to pull the trigger. Lieutenant Colonel Grossman identifies, in his chapter titled ‘Killing in America’, the incidence of desensitisation of children at the movies and ‘operator conditioning at the video arcade’. He further highlights the importance of social learning through the media. Lieutenant Colonel Grossman then goes on to identify ways in which we, as a society, must resensitise society through these same media.

Church leaders and military and psychology experts agree that there is a causal link between what we see in the media and how persons behave. Many crimes can be linked to violence portrayed in the movies. Therefore, the parliament has a moral responsibility, together with parents and other moral and legal guardians, to protect the societal and religious values of those who are too young or too frail to protect themselves from such influence. The young, with a higher propensity to go to movies, are the ones whose minds are so adversely affected by violence and sexual content. Such content weakens their moral tendency towards their natural state of human dignity and moves their intellect towards a degraded mode of human existence. Our duty is to protect the young and others from the unscrupulous movie producers and distributors who seek to make ill-gotten gains by poisoning the minds of people and mocking the churches and other groups to obtain cheap publicity. I commend church leaders like Father Lucas and the Reverend Peter Hastie in their efforts to defend public morality. We, as members of parliament, also have a duty to defend those who are most vulnerable from the villains who seek to diminish, degrade, obstruct or otherwise contaminate those cherished spiritual and societal values.
Korea: Economic Recovery

Mr PYNE (Sturt) (7.33 p.m.)—In early January this year I was fortunate to be a delegate at the eighth annual meeting of the Asia Pacific Parliamentary Forum in Sydney. There I met and held a number of discussions with South Korean delegates and representatives from the embassy here in Canberra. They had a fascinating story to tell about Korea’s recovery since the Asian financial crisis of 1997. In late 1997 Korea faced its worst national crisis since the outbreak of the Korean War. The Asian financial crisis crippled the Korean economy and forced major reform of business and government. Korea’s per capita income slumped by a third, output contracted, unemployment rose to historically high levels and foreign currency reserves fell to $3.9 billion. At the height of the crisis, Korea was heavily reliant upon the urgent rescue loans supplied by the International Monetary Fund.

Today, three years later, the Korean economy has almost fully recovered. At the end of 1999, the Korean foreign currency reserves were over $70 billion, an increase of more than $66 billion. Korea has fully repaid the emergency loans supplied by the International Monetary Fund. Their economic growth rate exceeded nine per cent in 1999, having recovered from minus 5.8 per cent in 1998. Despite this rapid recovery, Korea’s interest rates, exchange rates and price indices have remained stable. This has led to the upgrading of Korea’s national credit rating, boosting international confidence in the Korean economy. The Asian financial crisis presented President Kim Dae Jung and his new administration with the opportunity to reform Korea’s previously decayed economic system. The critical factor of Korea’s success was a dedication to tackle the reform process. The Korean government approached the recovery from the crisis with a determination to overhaul the financial and corporate sectors. They saw the need to liberalise foreign investment and to open their markets to international competition. The decision to abandon the restrictive fiscal policies was critical in order to enable Korea to restructure the decayed economic system that had led them into the Asian financial crisis in the first place. This reform has resulted in a more level playing field with greater incentives, leading to an increase in foreign investment, banking and retailing. Business confidence is high, with foreign investors viewing Korea as a nation with a great willingness to challenge old practices.

The major changes to attitudes and management practices of Korea’s businesses and government sector have been spotlighted by the East Asia Analytical Unit. The EAAU reports significant reform in areas such as foreign investment, the financial sector, corporate governance and international trade. Korea’s new economic environment has created a positive feeling amongst foreign businessmen. Consequently, foreign investment is up by nearly 30 per cent on 1997 figures, having risen to $US9 billion. The Korean government revamped its laws and institutions according to five principles of corporate sector reform: the improvement of the corporate financial structure, the elimination of cross-debt guarantees, transparency in corporate management, industry specialisation and accountability of corporate managers. These reforms not only protect the rights of shareholders and investors but also induce more efficient corporate management and encourage the advance of creative new enterprises.

Reform of the public sector has focused on downsizing the central and local governments and privatising public corporations. Through deregulation, the government is drastically reducing corruption, strengthening the rights of the people, promoting the further development of the market economy and improving the environment for foreign direct investment. The Korean labour market now has a high degree of flexibility with peaceful ties between management and labour.

For Korea to sustain their recovery and compete on the world scale, it was imperative that they undertook major reform of their entire economic system. This has been an outstanding accomplishment in less than three years. The government has tightened their fiscal policy, let their exchange rates fall and tightened their interest rates. Investors have been quick to return. Korea’s sensible economic policies and commitment to reform
have resulted in the remarkable achievement of the re-establishment of Korea within world markets. The economic stability and high performance of the Asia-Pacific region is vital to Australia’s place in world markets. Australia avoided falling with many other nations in this region as a consequence of the sound economic principles and practices which were in place. Our economy is strong, our interest rates are low and our current account deficit is in check. It is vital that nations within our region are also protected by sound economic management, as we are in Australia under a coalition government.

**Mitsubishi Motors Australia**

Mr COX (Kingston) (7.38 p.m.)—This year workers at Mitsubishi’s Adelaide plants have had two pieces of good news. The first was the announcement in January that the company would produce a successor to the current Magna and Verada models after 2004. That decision ended more than a year of negative speculation about the future of the operation. It was welcomed by workers, even though it required further restructuring which could include significant job losses. The official Mitsubishi Motors Australia announcement included the words ‘subject to further restructuring of the Australian operations to achieve international competitiveness’. The current Magna will undergo two upgrades in the interim. Details of the specifications of the new model are to be determined in the context of a worldwide rationalisation of the number of Mitsubishi car platforms. Mitsubishi’s decision was made much more difficult by the effect of the GST car buyers strike, which had a devastating effect on domestic sales.

The Howard-Costello Liberal government has been totally uncaring about the lack of appropriate transitional arrangements for the car industry. A reduced level of production during this time has been sustained by exports to the USA and some expensive marketing programs in Australia. Those marketing programs, which have been duplicated by all the Australian car makers, have meant the pre-GST period has probably turned out to be a very good time to buy a car. The government’s own GST expert, David Vos, was reported last week as criticising the government’s estimate of the price reducing effect of the GST on cars. He in fact said that, come GST day, there would be only one direction in which car prices could go, and that is up. I am fearful that if there is not the surge in demand after 1 July that the government has been predicting there could be serious long-term implications for the scale of the local car industry, given that the long-term trend has been a loss of market share to small imports. It needs to be recognised that one option for Mitsubishi is a smaller scale, break-even operation focused on the local market, with the profit coming from the sale of imported vehicles. Mitsubishi’s global rationalisation could well see our current export markets supplied from alternative sources, in particular from the USA.

The second development is the merger of Mitsubishi with Daimler Chrysler. For a company like Mitsubishi, which has suffered significant losses in recent years and is therefore carrying high levels of debt, there are significant advantages, short and long term, in being taken over by a world-class car maker like Daimler Chrysler. That said, however, it is early days in the new entity’s contemplation of what its operations may be around the world. There has therefore been a failure to provide specific guarantees in relation to particular operations or specific plans for those operations. This has resulted in some headlines which again suggested that Adelaide’s Mitsubishi operations were under threat. But in all of that reporting in the newspapers there was an absence of recognition of some comments that were made by the Chief Executive of Daimler Chrysler at his Tokyo press conference, which was reported by Peter Martin on the PM program on Tuesday, 28 March. Martin asked him:

*Mitsubishi has two plants in Adelaide in the Asia-Pacific region. There’s a lot of interest as to whether you’re going to increase the utilisation of those plants, or rationalise them. What can you say to people concerned about that in the city of Adelaide?*

Jurgen E. Shremp’s response was:

In general terms what we are going to do is we get our production people together, our product people, Mitsubishi executives will in future sit on Committees we have. We are looking at the various production capacities facilities in the world
and we will see what an addition we can use, because we ourselves have basically, on the Chrysler side, no capacity and it could very well be that as a result of our studies, depending on the outcome, that one or the other vehicles could be produced in certain parts of the world and that includes the one you have mentioned. But it’s too premature, or I would not be able to answer your question specifically. But we are looking at opportunities like that.

I very much hope that that is the case. If that is the case, I hope that the Mitsubishi operation in Adelaide has a much larger future than it might otherwise.

Australia New Zealand Food Authority: Genetically Modified Foods

Dr WASHER (Moore) (7.43 p.m.)—I am extremely concerned that the performance of the Australia New Zealand Food Authority has recently been tainted by the short-sighted opportunism of many of the health ministers sitting on its Food Standards Council. ANZFA represents 10 different stakeholders, with Australia’s federal, state and territory governments as well as the government of New Zealand. Food laws are enforced by state, territory and local governments and in New Zealand by the Ministry of Health. ANZFA does not enforce food laws. Its obligations under the ANZFA Act 1991 are to protect public health and safety, provide adequate information to consumers relating to the food to enable consumers to make informed choices and prevent fraud and deception, promote fair trading in food, promote trade and commerce in the food industry and promote consistency between domestic and international food standards. Due to recent changes in legislation, ANZFA also needs to pool the resources of Australia and New Zealand in order to produce better value for money outcomes and consider the costs and benefits of its decisions.

ANZFA should also be mindful of our obligations to the World Trade Organisation and ensure our regulations do not unjustifiably restrict international trade. In regulating genetically modified food, all the obligations mentioned could only be enacted if ANZFA bases its decisions on good science. Instead, some ministers sitting on the council overseeing ANZFA have ignored the science and legislated on popular ideology based on ignorance and fear, resulting in a policy of compulsory labelling for GM food. This is literally impossible to enforce and justify legally in terms of the Trade Practices Act and could potentially jeopardise our standing with the World Trade Organisation.

We have a situation where food that, with the very best science, has proven to be safe and substantially equivalent will need to carry a label because of its method of manufacture. Massive costs will be imposed on consumers and industry and unnecessary red tape will tie industry up. ANZFA itself will not achieve the public confidence that its scientists and structure deserve, as its decisions are ultimately politicised and coerced away from good science. It is well known and widely accepted that many medical vaccinations and new drugs and all human insulin are genetically modified or engineered by the same method of manufacture as GM food. Literally no-one has argued against this. Even the most ardent believers in GM labelling of food accept this as being good medicine.

The reason given is that our medical regulatory systems are based on good science and not politicised; therefore, they are to be trusted. This will not be the case with ANZFA, as it will be governed by the popular political will that is emotional and unscientific, resulting ultimately in short-lived trust and faith from the public that rightly should be demanding credibility or, at the very least, informed from those formulating public health policies in Australia. If there is a proportion of the public that would like to buy food that has been labelled as a GM or non-GM product, then it should be done by the market demand on a voluntary basis and checks of validity put in place to confirm accuracy of this labelling. In conclusion I suggest, knowing that issues such as GM food will be a major challenge to ANZFA’s structure, that this structure be changed so that it is more at arm’s length to the political process in this new age of biotechnology.

Television Transmission Tower: Lilydale

Ms O’BYRNE (Bass) (7.47 p.m.)—I rise in this adjournment debate to once again express my great concern regarding the provision of adequate television services to the community of Lilydale within my electorate.
Despite repeated commitments from both the government and the ABC, I am concerned that this community has once again been given a commitment only to have it broken. Lilydale is only about 25 minutes from Launceston but, due to geographical factors, television signals are inadequate for the viewing of TV. This is not a new problem. My predecessor gave a commitment that the long-awaited transponder on Browns Mountain would be completed and that, in fact, it was budgeted for in the 1997-98 financial year. But Browns Mountain tower is yet to occur.

I have worked closely with the community in Lilydale to overcome many of the obstacles which have stood in the way of the completion of this infrastructure. Members from metropolitan electorates may find it hard to appreciate the impact that being unable to receive television can have on a community, and this impact is being felt in Lilydale. Indeed, even teachers at the Lilydale District School have expressed their wish for television to be available to their students, as this lack of television current affairs and the stimulation it provides is impeding the educational development of their students. This must sound strange coming from a teacher, as teachers are often concerned with the distraction that television can provide to students. But in Lilydale students are not seeing the benefits that television can provide.

The background to this issue can be explained very simply. The government committed that the then National Transmission Authority would construct the tower. Initial work was undertaken, including construction of an access track and appropriate planning permits were obtained. The National Transmission Authority was privatised with no reference to the completion of Browns Mountain tower. NTL, the company that purchased the privatised authority, therefore had no obligation to construct the tower. The ABC was given responsibility by the government to construct this tower, as for the first time national broadcasters are responsible for their own transmission and, according to the minister’s office, the ABC was being funded accordingly. The ABC then gave a commitment that the tower would be completed by 30 June this financial year.

In correspondence from the office of the Minister for Communications, Information Technology and the Arts, I have been informed that the government has undertaken to provide funding to the ABC and SBS for the Lilydale translator. This correspondence was sent from the minister’s office on 30 June 1999. Given commitments made by the government regarding the construction of the tower and funding for this purpose, the ABC had promised the community of Lilydale that the translator would be constructed this financial year. You can, I am sure, appreciate both my concern and distress when I was informed by the ABC that the government, despite being in receipt of plans and costings for the construction of the tower, is yet to provide this funding.

After writing to the ABC to confirm that, in line with previous commitments, the translator on Browns Mountain is to be constructed this financial year, I was advised that it is now the hope—not the commitment—of the ABC that appropriate television services can be provided in Lilydale this calendar year. The reason for this is that the government is yet to provide the ABC with funding for the construction. I have been advised that the full construction of the tower will take around seven months to complete but that hopefully the government and NTL is around two months down that track. This means that the earliest the community can expect the tower to be completed is early September—years after the first commitment was made, months after they were promised it would be completed and perilously close to the broadcasting of the Olympic Games.

The government has already caused commitments given by the ABC to be broken, but there is still time to give this community the chance, depending on the willingness of commercial operators to use the Browns Mountain facility, to view the Olympics. All that is required is an allocation of funding to the ABC to meet this cost of construction and immediate commencement of construction. The community of Lilydale has a right to question the value of commitments given by this government. Expectations for the con-
struction of this tower have been raised again and again and then dashed. I am not surprised that some people in Lilydale doubt whether this tower will ever be built. At a time where it could reasonably be expected that the transponder tower would be under construction, the community in Lilydale is being asked to wait again. I urge the minister to take urgent action to address this issue and provide the Lilydale community with basic access to television services.

Victoria: Whitehorse and Maroondah Elections

Mr BARRESI (Deakin) (7.52 p.m.)—Like many municipalities in Victoria, the cities of Whitehorse and Maroondah were last month engaged in elections. The people in Maroondah and Whitehorse have so far appreciated the independence shown by their councillors. Not surprisingly, quite a number of councillors have party political leanings, and some are party members. Thus far, however, ideological beliefs have, for the most part, not dictated issue positions at the expense of the good of the ratepayers.

Prior to the elections, however, a local branch of the ALP decided that funds raised through a visit by Premier Steve Bracks would be offered to certain candidates running in Whitehorse and Maroondah. I refer to an article on the front page of the Maroondah Mail which reads ‘ALP moves on the east’. Apparently they are miffed at the fact that they have not been able to win the east, and they want Steve to get out into the outer east to remind him that ALP members are there. A $30 a head function, which Bracks attended, was being used as an a fundraiser for the local council elections. ALP members who were contesting council positions in the cities of Maroondah, Whitehorse, Yarra Ranges, Knox and Manningham were expected to be offered some of the money raised.

I congratulate Rick Edwards from the Maroondah Mail for exposing that story. I do not know whether this money was ever officially offered or whether these were just the bleatings of a union heavy tired of being beaten by the democratic process. When asked for public repudiation of these funds, Councillors Buckingham, McCallum, Kirmos and Munro had made assurances that they would refuse such funds and that they would use their own finances. I applaud them for their stance.

One ring-in local council candidate had, I believe, up to $15,000 of ALP money spent on her whereas no Liberal leaning candidate received a dollar of support from the party. I have been advised that, contrary to the non-partisan tradition of Whitehorse candidates claiming to be independent, at least one candidate was the president of the local ALP Blackburn Branch. Council elections and councils themselves have become party political in other parts of Australia. This is not the tradition in our neck of the woods where people expect and demand independence from their councillors, whatever their stripes.

There is a tangled web associated with all this. It has come to my attention that three of the recently re-elected local councillors are now seeking ALP endorsement for Deakin at the next election. Helen Buckingham wrote a letter to ALP members seeking support for preselection. Peter Allan is seeking preselection support from ALP members. Nick Kirmos is seeking preselection support from ALP members. Reading through their preselection letters, you find that they really have been fraudulent in their stance in local council elections.

It is frequently said by most involved in local government that they are in the job to serve the local community. In fact, as recently as last month, the newly elected mayor of the City of Whitehorse wrote, ‘Whitehorse councillors work as a team, supporting each other regardless of political philosophy.’ On face value, I am not surprised to read of such sentiment about serving and building the local community. This comment is a good thing.

What surprises me are the comments of the ALP councillors now seeking to make the big move to Canberra, not content with local community and service. I ask myself, having just gone through the process of seeking re-election for a three-year term: why do they want to abandon their electors after less than one month in the job? In an act of self-indulgence, they are abandoning their com-
mitment to serve the local area in local government. It appears these councillors say one thing publicly but, at the same time, carry a very different private agenda. Councillor Buckingham has said in a letter to ALP branch members:

As a councillor, I have endeavoured to serve the community and maintain a high public profile as a party member. Along with the three other ALP Councillors I have attempted to embody the philosophy and policies of the Party in my decision making and in the way I carry out my role of community representation and accountability.

So much for independence. Councillor Allan writes of his experience as a local councillor:

It also gives me the opportunity to network throughout the local community with key community leaders and groups. This can only be to the Party’s advantage.

So much for his independence. Councillor Kirmos says that he was responsible for a project funded by the federal coalition government worth $2.1 million. I have say to Councillor Kirmos: you were nowhere to be seen during those negotiations. If they are not endorsed by the ALP at the local level, why do they feel that they have to work as a collective group for the good of the ALP cause?

Lastly, I want to say to the state member for Mitcham, Mr Tony Robinson, that if the rumours that are coming back to my office are correct that his office was in fact used for extensive telephone canvassing during the last council elections then we will uncover that with an FOI. (Time expired)

Job Network: Providers

Ms GAMBARO (Petrie) (7.57 p.m.)—In the very short time I have available to me I will speak about two subjects that will bring great benefits to the local community in Petrie. Firstly, I would like to speak about the recent merger of the Greater Brisbane Area Consultative Committee. I was pleased to attend the launch last Friday of the merger that will lead to job creation and provide support for small business and increased feedback about the government programs. I would like to congratulate the chairman, David Peel, for the great work he is doing and will continue to do in steering this group.

The event was held in Brisbane, but the Greater Brisbane ACC will cover employment and business growth in the north and south of Brisbane, Logan and Redlands. This is the newest member of the Australia wide network of ACCs. It was formed from the merger of the former Brisbane North and the Brisbane South ACCs. There are now over 50 ACCs across Australia.

Their role is threefold: firstly, to create jobs through innovative local projects and industry initiatives; secondly, to support small business by providing information on available resources and services; and, thirdly, to be a community voice by providing advice and feedback to the government on the effectiveness of federal policies and programs. They are a merger of agreement with the Minister for Transport and Regional Services, the Minister for Education, Training and Youth Affairs and the Minister for Employment Services.

I was very happy to participate in the opening of two Job Network providers. Congratulations to Career Solutions and Work Directions. They are doing some fantastic work for which they are to be commended. I am sure that they will help to develop the government’s employment policies and to make sure that we improve on the unemployment rate of 6.9 per cent. Recently, I was at Career Solutions, which offer services at Chermside, Redcliffe, Strathpine, Caboolture and Nambour. I want to congratulate Helen Gibson from Career Solutions for the great job she is doing with job matching and job training services and Therese Rein from Work Directions for the fantastic work she is doing. She has nine centres in Queensland and 16 in New South Wales and she is providing fantastic assistance for Job Network searchers and providers. I must say that those organisations are doing great guns, particularly Work Directions, which was ranked in the top three major intensive assistance providers. Recently, the Courier-Mail ran a story on Therese Rein. I just want to say how very pleased I am that the Job Network is doing a fabulous job in my electorate of Petrie. I know that the unemployment rate in Petrie will continue to fall.
Mr SPEAKER—Order! It being 8 p.m.,
the debate is interrupted.

House adjourned at 8.00 p.m.

NOTICES

The following notices were given:

Mr Hockey to present a bill for an act to
amend laws in connection with the reform of
the financial sector, and for related purposes.

Mr Williams to present a bill for an act to
amend legislation relating to family law, and
for related purposes.

Mr Slipper to move:

That, in accordance with the provisions of the
Public Works Committee Act 1969, it is expedient
to carry out the following proposed work which
was referred to the Parliamentary Standing Com-
mittee on Public Works and on which the com-
mittee has duly reported to Parliament: Proposed
ABC Sydney accommodation project, Ultimo,
NSW.

Dr Theophanous to move:

That this House:

(1) expresses its concern at the hardship cre-
ated by the implementation of the Government
policy of granting three year temporary visas to
refugees arriving without papers, even after they
have been accepted as genuine under Australia’s
refugee determination processes;

(2) recognises that the provision in the three
year visa which prevents the unification of those
persons granted refugee status under the new pol-
cy with their spouse and dependent children, is
inhume and unacceptable under international
human rights provisions, and is likely to prevent
these refugees from seeing their spouses and chil-
dren for more than the three year period; and

(3) calls upon the Government to abolish this
excessively punitive provision for those persons
granted refugee status and to allow them to spon-
or their spouses and dependent children to be
with them for as long as they are given protection
under Australia’s international obligations.

Mr Beazley to move:

That this House, noting the objects of the
Charter of Budget Honesty and the requirement
for fiscal transparency, calls upon the Government
to ensure the integrity of the Budget by excluding
from forward estimates any projected proceeds
from the proposed further privatisation of Telstra.

Mr Adams to move:

That this House:

(1) recognises Post Polio Syndrome, as thou-
sands of Australians are now experiencing the late
effects of contracting polio some 30 to 40 years
after the initial infection;

(2) notes that it is estimated that a minimum
of 20 000 to 40 000 people had paralytic polio in
Australia between the 1930’s and the 1960’s and it
has only been recently that this syndrome has
been diagnosed;

(3) gives support to the Post Polio Network
set up around Australia;

(4) helps the establishment of assessment
clinics for those that suffer from this disorder;

(5) helps educate medical professionals to
recognise this syndrome and encourage further
research; and

(6) legislates to recognise the need for post
polio sufferers to retire early because of
chronic ill health due to past polio infec-
tion.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Wollongong: MacCabe Park Development

Mr MARTIN (Cunningham)—This morning I would like to take the opportunity to commend Wollongong City Council for their initiative in putting on public display proposals for the redevelopment of MacCabe Park in central Wollongong. It is about time that area of our city was put to better use. It will expand the green space that is going to be made available. I say to people of the Illawarra who have an interest in this: go and look at the plans at Wollongong City Council and do not be persuaded by the views of a minority that in some way this is the privatisation of public space; that what is being proposed is the wholesale redevelopment of public space for the construction of apartments. A picnic for MacCabe Park is to be held on 29 April and I suggest that people who have a real interest in this go along so that they can make a real and honest appraisal of what council’s proposals actually entail and, as I say, not be swayed by a minority.

It is not surprising, of course, that there would be people in the community swayed by a minority voice. In the Illawarra Mercury last Saturday I saw a photograph of a small number of individuals who have created an organisation called Preserve our People’s Park. Part of the representation I saw there consisted of Wollongong councillor Kerrie Christian, who represents the Active Community Team. You are a long way from Coledale, Kerrie, to be turning up down in Wollongong but I am always pleased to see you there.

Who did I also see in this photograph? I saw that ageing James Dean, that rebel without a cause, Paul Matters, the sacked former secretary of the South Coast Labor Council. Paul is over at the University of Wollongong now doing a law degree because they gave him the flick from the South Coast Labor Council after he had proved to be the most divisive figure in the Illawarra in 20 or 30 years. This is a man who has made a career out of standing up for causes that most people do not believe in, creating the greatest amount of pain to the greatest number of people in the broad community. There is an adage in Wollongong: if Paul Matters is against something then it must be terrific and it must be good for the people of the Illawarra and Wollongong.

I simply say to some of these well-meaning people concerned about the future of their central park, like 2Vox FM and people involved with the medical centre and those concerned about the future of the Pioneer Hall and the pensioners associations: be realistic and have a look at what government—in this case local government—is proposing. They are not talking about redevelopment and the elimination of the park; they are talking about expanding the park. They are talking about providing new and better facilities for the people of the Illawarra. It is time we all stood up for the greater good of the greater number and not be persuaded by a low-life like Paul Matters that in some way this is a conspiracy, this is privatisation.

Interlaken: Adventure World

Mr SCHULTZ (Hume)—Honourable members will remember the Swiss canyoning tragedy that occurred on 28 July 1999. The accident occurred during a canyon tour in Interlaken, Switzerland, organised by a local company, Adventure World, on behalf of the Contiki Tour Company. Twenty-one persons died, including 14 Australians—13 Australian citizens and a British citizen resident in Perth.
We can understand the stress and dismay of the families of the Australian victims at Adventure World’s plans to recommence canyoning tours. The Australian ambassador to Switzerland will express to Swiss authorities the Australian government’s concerns about this development and ask that, if there is the capacity under Swiss law, Adventure World be prevented from resuming the tours until the outcome of the ongoing judicial inquiry is known. Canyoning is not regulated in Switzerland. The capacity of Swiss authorities to stop Adventure World may be constrained under Swiss law.

The government can confirm that the families of the Australian victims are planning to meet in Sydney on 18 April to receive a comprehensive briefing on the Swiss judicial process from lawyers from a Swiss victims assistance organisation that is representing the families in that process. Any legal action is a matter for the families and their lawyers to decide. The Department of Foreign Affairs and Trade has no standing to either investigate or provide legal advice on any allegations about the liability of Contiki.

Judge Trapp, the Swiss judge, will not publicly confirm the accuracy of Adventure World’s press release of 12 January stating that he has recommended manslaughter charges against eight persons. Trapp has confirmed, however, that he informed those under investigation of his confidential preliminary recommendations to the Swiss public prosecutor. They have the right to request that he obtain additional evidence before finalising his recommendations. Judge Trapp has stated that charges are not finalised until the public prosecutor agrees to his recommendations.

The Department of Foreign Affairs and Trade has kept families informed about the Swiss process via, to date, six comprehensive letters, three teleconferences and ongoing contact between officers of the department and individual families. The Department of Foreign Affairs and Trade has also kept informed the four Australian survivors injured in the tragedy. Australian consular staff in Switzerland and Australia provided a great deal of assistance to the families in the aftermath of the tragedy. I know that the two families who reside in my electorate and who lost sons in that unfortunate tragedy in Switzerland will be gratified by the ongoing assistance that this government is giving them in what is still their time of need.

I raise this issue in the Main Committee today because, in the last 24 hours, members of both families have approached me concerned about the fact that the company involved in the tragedy—the Contiki Tour Company—is endeavouring to open up the business again. That will put more people’s lives at risk. I find that incomprehensible and tragic. (Time expired)

Linda Industries

Mr BYRNE (Holt)—I rise today to pay tribute to a group of workers, predominantly women and of migrant background, who now have fairly limited career prospects for the future. They have had the most brutal introduction possible to the new industrial relations regime under the Howard-Reith government. On 31 March, I had the honour of joining a group of 22 women peacefully protesting in front of their former employer, Linda Electric Industries, an electrical goods manufacturer based in Noble Park, and which has been manufacturing blankets, amongst other things. The slogan ‘Wonderfully warm with Linda’ is something that many of you may have heard, but these workers have certainly been left out in the cold by Linda!

On 29 March, those employees were escorted off the property by security guards for asking one simple question of their employers. Many of them had been working there for 10 years and had just been handed a sheet of paper with lots of nice numbers on it. Their question was this: will I be guaranteed my full entitlements? That must have been a fairly difficult question for the employers at Linda Electric Industries, as it seems to be for this government at the present time. For asking that question those employees were escorted off the property by a security guard who was basically being paid out of their entitlements.
I would like to pay tribute to women such as Anna Gaica, Teresa Ligarte, Mai Nguyen, Van than Ky, Li Li, Hau Sen Qu, Jeanette Delacerna, Jasmin Baig, Sevinc Sumic, Brenda Pickles, Rose Cvetkovski, Savet Sam, Trisha Clark, Leanne Ryan, Debra Griffiths, Francine Sinwaripo, Suzanne Byrnon, Joanna Lee, Nancy Wilde and Bridie Bury. I pay tribute to these women because they were standing up for what they believed in. They were standing up for their rights, their demand for what is rightfully theirs, their full entitlements. They want some certainty, like the workers in National Textiles. They have the misfortune of not having Stan Howard on the board of the former Linda Electric Industries. They want the same sort of treatment. They want a guarantee such as the one enjoyed by the workers at National Textiles, a guarantee that they will receive their full entitlements. What is good enough for the workers of National Textiles with Stan Howard on the board is good enough for the workers of Linda Electric Industries in Noble Park.

They are going to be joined soon by another group of 30 people, predominantly women and migrants, who are going to be turfed out onto the street by Linda Electric Industries. They will also be given just a sheet of paper with a set of numbers on it, but with no guarantee of their entitlements. I invite Minister Reith to come down to Noble Park—and talk to these women and give them a guarantee that they will receive their full entitlements, entitlements such as those enjoyed by the workers at National Textiles. (Time expired)

Education: Funding

Mr Bartlett (Macquarie)—A rather interesting but disturbing article appeared in last Saturday’s Sydney Morning Herald. The article focused on the frustrations and the increasing pressures being placed on our state school teachers. ‘Who’d be a teacher?’ was the headline. The article went on to state:

The criticism is endless, the praise rare. And teachers can never get it right.

I thought that article encapsulated the frustration and despair being felt by many school teachers throughout the state of New South Wales. Two weeks ago I attended a public meeting organised by public school teachers and the P&C association in my electorate, and the same frustration and despair were expressed there. There was a very strong feeling of anger and disillusionment. Teachers who were doing their best for the kids—working hard, committed, professional and caring—were constantly under a barrage of criticism from the media. There was frustration at the lack of support from the state government and—at attacks by the state government and by the minister who was supposed to be looking after them. There was despair and frustration at the declining levels of community recognition and esteem.

These feelings are understandable. Most of our teachers are hardworking, committed professionals. They are facing increasing expectations, they are having to deal with increasingly diverse issues and constantly changing curriculum material, and they are bearing increasing levels of responsibility in counselling and nurturing children who are alienated or traumatised by dysfunctional families. Year after year the expectations and the pressures on our teachers are growing, but the state government is not keeping up with its responsibility to adequately fund them.

Over the last four years direct federal government funding for public schools has increased by 25 per cent, but the funding by the New South Wales state government for its public schools has increased by only 12 per cent. The New South Wales government has badly failed the hardworking teachers in our system. Further, federal government financial assistance grants to the states, out of which they get the revenue to fund their schools, has grown by five to six per cent a year, yet the New South Wales government has increased funding for schools by only about three per cent a year and, in fact, in the last budget by two per cent. In other
words, the New South Wales government—John Aquilina and company—are creaming off money that should be going to schools for other purposes. We have a tremendous team of teachers in our state. They are doing great work in nurturing, encouraging and building up our young people, but the New South Wales government is letting them down badly. This is a profession of utmost importance to the future of our community, and it is time the state government took its responsibilities seriously and provided adequate support for our school teachers.

Goods and Services Tax: Mobile Homes

Mr MOSSFIELD (Greenway)—Last Saturday I attend a meeting at the Riverstone Bowling Club in my electorate of 100 mobile home owners and village operators to hear a report on the effects that the GST would have on people who live permanently in mobile home villages. The meeting was addressed by Peter Hide, from the Taxation Office, and by the members for Mitchell, Chifley, Grayndler and me. The meeting was organised by Roberta Kovacsics, and I thank Roberta for her sterling effort on behalf on the mobile home owners.

The significant point made on behalf of the government by the member for Mitchell was that mobile home owners would not be discriminated against by having to pay a 5.5 per cent GST on their site fees because, believe it or not, the inflationary effects of the GST will result in other forms of private rentals also rising.

Mr Pyne—That is rubbish!

Mr MOSSFIELD—That is what the member for Mitchell told them. So we have a loss-loss situation applying on all forms of private rentals as the result of the GST. The government would argue that the increases in social security payments for pensioners will compensate permanent park residents for the effects of the GST, but nobody really believes this. One pensioner in my electorate has already written to me to complain that milk, which is GST free, has increased in price by 13 per cent in the last few months. I think we will see other so-called GST-free items also increasing in price by more than the GST 10 per cent.

Government members have been quite gallant, I would suggest, in defending this very unpopular tax, but there does appear to be some concern amongst members relating to this particular aspect of the GST. The Deputy Leader of the National Party, Mark Vaile, put out a circular prior to the election saying that the GST would not apply on site fees. Larry Anthony, the Minister for Community Services, said that he would convey to the government his constituents’ concern on the question, therefore, I believe, holding out some hope of a review.

In spite of the best efforts of the member for Mitchell, this meeting unanimously carried a resolution condemning the imposition of the GST on mobile home owners. I advised the Riverstone meeting that I would report the result of this meeting to the federal parliament, and I am happy to be able to have done so.

Queensland: Unemployment

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration)—In Australia today, we have a period of honesty, openness and accountability. The general public does expect that politicians who make promises will keep them. I rise today to express my concern about the way in which the state of Queensland is falling into a never ending spiral of worsening unemployment under the Beattie Labor government. Prior to the last election, Premier Beattie said that his government would achieve a five per cent unemployment rate. Quite clearly, like Keating in 1996, they were prepared to do anything and say anything to crawl into office.

What concerns me, however, is the fact that in Queensland we have a state premier who refuses to admit that the promise he took to the people simply cannot be met. This month, Australia’s unemployment rate remained steady at 6.9 per cent as a result of this
government’s focused and practical economic reforms. This government has substantially improved the appalling unemployment situation which we inherited upon election to office in 1996. The problem for my home state is that, while national unemployment has fallen, Queensland’s rate has been stuck at around eight per cent for over a year under a government which is essentially run by Queensland trade union leaders. It is a government by the unions, of the unions and for the unions.

This federal government brought in workplace relations reforms; and we, of course, have been opposed by the Labor Party. The Australian general public are appalled by militant trade unions and their bullyboy tactics, as has been instanced on the wharves over the last year or so. This was seen as nothing but a last ditch effort by unions to protect their privileged rorts and backroom deals.

While Beattie’s big Queensland grin may win over the local press at times, he lacks the guts to confront the trade unions and his cronies. I believe that is a tragedy. Some even call him ‘Peter, Peter the job eater’. He has not got the personal strength to confront his union mates over the way they withhold productive, business friendly and job friendly policies from Labor’s conferences. The situation is that when he got elected to government, he reversed the important reforms brought in by the Borbidge government. While the Queensland Premier masquerades as a people’s premier, deep down he is hurting because he knows that he cannot maintain his promise of five per cent unemployment—a promise which he made in bad faith. Even Labor’s Leader of the Opposition has said that Australia’s jobless rate will fluctuate at around seven to eight per cent for another decade. Sadly, it would be far worse if Labor were elected to office.

It is time that Peter Beattie showed some integrity, took a leaf out of Tony Blair’s book and dumped his regressive, anti-employment, pro-cronyism trade union polices that really ensure that the Queensland people are cut out of the equation. The lesson for Queenslanders is: a vote for a Labor government is a vote for higher unemployment. Premier Beattie and his government stand absolutely condemned.

Mr DEPUTY SPEAKER (Mr Nehl)—In accordance with standing order 275A, the time for members’ statements has concluded.

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

Second Reading

Debate resumed from 6 April, on motion by Mr Fahey:

That the bill be now read a second time.

Mr TANNER (Melbourne) (9.58 a.m.)—The Appropriation (Dr Carmen Lawrence’s Legal Costs) Bill 1999-2000 seeks to provide legislative authority for expenditure by the Attorney-General’s Department to meet the Commonwealth’s liability that has arisen under orders made on 25 February this year by the Federal Court and an associated liability to pay interest. The liability relates to the legal costs of Dr Lawrence in connection with the Marks royal commission and her court challenges to that commission.

On 25 February the Federal Court ordered that the Commonwealth pay damages and interest in the amount of $761,594.13 and legal costs to be agreed or determined by the court on taxation. There is an outstanding dispute, I understand, about the amount of interest that the Commonwealth is liable to pay. The amount of the actual appropriation is not quantified in the bill. It is, however, limited to the terms of the orders made on 25 February and the provisions of section 52 of the Federal Court of Australia Act 1976, which is the section that deals with the accrual of interest arising from a judgment in any particular matter. The opposition does not oppose the legislation. We are not absolutely certain that it is necessary,
but we are prepared to not oppose the bill. Therefore, we are happy to have the matter considered in the Main Committee.

Mr PYNE (Sturt) (10.00 a.m.)—The bill presently before the House marks the sorry conclusion to one of the most shameless episodes of public administration in my memory. The Appropriation (Dr Carmen Lawrence’s Legal Costs) Bill 1999-2000 deals with the payment of legal fees by the Commonwealth for the member for Fremantle, Carmen Lawrence. These legal fees were incurred by, or on account of acting for, the member for Fremantle in relation to the challenging of the validity of the Marks royal commission. This bill does not provide an amount to be appropriated from the consolidated revenue fund. The amount of post-judgment interest owing for Carmen Lawrence’s legal fees cannot be determined until the judgment debt is paid. It is expected that the appropriation amount will be in the vicinity of $0.75 million.

To put the provisions of this bill in context, it is worth revisiting the series of events that led to its introduction. In June 1995, the Keating cabinet decided to pay the legal costs accrued on behalf of the member for Fremantle, Carmen Lawrence, in relation to the Marks royal commission. Then, on 20 June of that year, the then Attorney-General, Michael Lavarch, announced that the Commonwealth would fund a challenge for the member for Fremantle to the High Court questioning the legality of the Marks royal commission. The following day the coalition indicated that it would not necessarily support the payment of then Minister Lawrence’s legal fees in their entirety—specifically that portion of the fees incurred in challenging the validity of the royal commission. From that point on, the federal Labor government was on notice that there was a very real possibility that the opposition would not commit Australian taxpayers to footing the total bill for then Minister Lawrence’s legal fees. Meanwhile, on that same day, the Australian Democrats, under their leader, Cheryl Kernot—your good friend—

Mr DEPUTY SPEAKER (Mr Nehl)—Not my good friend.

Mr PYNE—Not your good friend, Mr Deputy Speaker Nehl, but the good friend of the member for Port Adelaide who confirmed that they would insist on parliamentary approval for the payment of Minister Lawrence’s legal fees. On 26 October 1995, Appropriation Bill (No. 4) 1995 was tabled by the Labor government in parliament in relation to then Minister Lawrence’s legal fees of $800,000. On 28 November, parliament voted down the appropriation for $240,000 incurred in challenging the legitimacy of the Marks royal commission in the High Court.

But, unbeknown to the coalition and the Democrats, Labor had effectively already legally committed Australian taxpayers to the entirety of the then Minister Lawrence’s legal fees. The reasons for this are found in the recent judgment of the Federal Court in Vass v. the Commonwealth. Justice Burchett held that the Commonwealth was contractually bound by undertakings given to Dunhill Madden Butler by staff in the offices of then Minister Lawrence and then Prime Minister Paul Keating. This political compact ensured that Australian taxpayers would have to pay what was essentially the personal legal costs of Carmen Lawrence in a matter totally unrelated to her responsibilities at the time as a federal minister.

It is this unfortunate arrangement that has necessitated the introduction of this bill presently before the House which burdens Australian taxpayers to the tune of at least $0.75 million. But the passing of this bill will not guarantee closure on this issue. There are still a series of critical questions that remain unanswered concerning what has happened to the money that people donated in good faith to the Carmen Lawrence Defence Fund.

Mr Slipper—Can you tell us?
Mr PYNE—I am going to do that. These questions also raise serious concerns over the conduct and the accountability of the Leader of the Opposition.

Mr Sawford—Tell us everything.

Mr PYNE—I am going to tell you everything about it. Under the Labor Party administration, the Carmen Lawrence Defence Fund was established in a unique political climate. From the time that the Appropriations Bill (No. 4) was passed in November 1995 various senior ministers—Carmen Lawrence, Gareth Evans and Kim Beazley—made many statements about the issue of then Minister Lawrence’s legal fees. On 29 November, then Minister Lawrence confirmed that cabinet had determined that the legal fees should be met by the Commonwealth. On the same day, Minister Beazley said:

It is not our intention to fund that element of Mrs Lawrence’s legal expenses by any other method than ultimately a recourse to parliament.

Sadly, now we know that was not the case. But even when then Ministers Beazley and Lawrence made those statements, did they know that, in fact, this would never be the case? In fact, did they not already know that the Commonwealth was locked into paying the legal fees because cabinet had already made that decision and because staff from their respective offices had created a contractual obligation with Dunhill Madden Butler? It certainly appears to be the case. On 29 November 1995, then Minister Lawrence revealed:

Cabinet decided that the bills should be met. I would not have undertaken any challenges at all if there had been any suggestion that they would have to be met either by me or the ALP.

The reality is that former Ministers Beazley, Evans and Lawrence were all aware that cabinet had determined that the Commonwealth would pay the entirety of Carmen Lawrence’s legal fees. They were also most likely aware that the Commonwealth would be legally forced to pay the entirety of the fees, irrespective of parliament’s decision. Years later, even former General Secretary of the Labor Party Gary Gray admitted:

We have always believed they—the legal fees—were properly incurred by the Commonwealth.

Former Minister Beazley asserted it was not Labor’s:

... intention to fund that element of Mrs Lawrence’s legal expenses by any other method than ultimately a recourse to parliament.

However, he was, either intentionally or otherwise, circumventing the superiority of parliament over cabinet by creating contractual obligations between the government and Dunhill Madden Butler that their fees would be paid by the Commonwealth. But this information did not stop then Ministers Beazley and Evans from whipping up hysteria over the liability of the legal fees. On 3 December, then Minister Beazley was reported in the Canberra Times:

Deputy Prime Minister Kim Beazley says it is imperative the Labor Party ensure that Carmen Lawrence is not bankrupted by having to pay legal fees arising out of her court challenges to the Marks Royal Commission. Mr Beazley confirmed that Dr Lawrence would have to step down from parliament if she were made bankrupt.

Then there was a quote from then Minister Beazley:

“We could not let that happen, absolutely.”

The charade continued when Gareth Evans claimed in the Sydney Morning Herald:

“She could be faced with bankruptcy.”

So, on 5 December 1995, the Carmen Lawrence Defence Fund was established. Its trustees included then General Secretary of the Labor Party, Gary Gray, the now New South Wales...
Minister of State, John Della Bosca, and the former Victorian Premier, Joan Kirner. That must have been a happy bunch, Mr Deputy Speaker, given the make-up of the trustees.

The trustees of the Carmen Lawrence Defence Fund actively sought public donations to pay that portion of Carmen Lawrence’s legal fees that were not going to be covered by the Commonwealth. The defence fund received contributions from such luminaries as the former member for Bass, Sylvia Smith, and from an unsuspecting public who were led to believe by the ministers of that government that then Minister Lawrence was likely face bankruptcy if the Carmen Lawrence Defence Fund was not established. It is understood that the Carmen Lawrence Defence Fund currently holds as much as $100,000, although some media reports have suggested that at one stage the fund held as much as $240,000.

Following the Federal Court’s orders in Vass v. the Commonwealth in February, federal Attorney-General, Daryl Williams QC, has written two letters to the trustees of the Carmen Lawrence Defence Fund. The Attorney-General has asked the trustees, on behalf of the Australian taxpayers, to obtain the consent of the donors to the defence fund, under clause 3 of the trust deed, for reimbursement of Commonwealth expenditure to help meet legal costs incurred by Dunhill Madden Butler in acting for Carmen Lawrence. The government’s reasonable and proper request has fallen on deaf ears at Curtin House. I understand that the Attorney-General has received two items of correspondence from the Carmen Lawrence Defence Fund in response to this request. I further understand that, on both occasions, the fund has effectively denied that they owe any obligation to Australian taxpayers to reduce their liability for the legal fees of the member for Fremantle.

Mr Sawford—Your mob don’t even believe in paying tax.

Mr PYNE—What an extraordinary, outrageous intervention when this is a very serious issue to do with the Carmen Lawrence Defence Fund paying its share of the legal fees for Carmen Lawrence. That is all we are asking them to do, to pay their share. We know that we are stuck with paying the bill, but we would like them to cough up their $100,000. This is an extraordinary position for the supposedly egalitarian Australian Labor Party to be taking. It is particularly galling when we see media reports indicating that the fund is writing to donors seeking their agreement to the balance of the fund being used for other purposes.

Mr Slipper—What purposes?

Mr PYNE—Presumably Labor Party purposes. If this were to occur, it could be a gross breach of public administration practice, starting with cabinet and ministerial staffers circumventing the will of parliament in 1995. The actions of the trustees of the Carmen Lawrence Defence Fund, in refusing to pay the funds to pay for Carmen Lawrence’s legal fees, compounds the breach. The government’s position is that the Carmen Lawrence Defence Fund was established to pay the portion of the member for Fremantle’s legal fees that parliament refused to pay, and that the fund should be used for that purpose—a very reasonable position.

The Australian Labor Party’s refusal to disclose the status and future intention of the Carmen Lawrence Defence Fund leaves a series of critical questions unanswered by the Leader of the Opposition. Firstly, as the legal fees have not been paid to Dunhill Madden Butler, where are the proceeds of the Carmen Lawrence Defence Fund? Are they sitting at Curtin House and are they earning income for the Labor Party? Does the Labor Party expect that the Carmen Lawrence Defence Fund will not have to pay the legal fees, in which case has a fraud been perpetrated on those who donated to the fund believing that they were doing so to stave off the potential bankruptcy of Carmen Lawrence?

Mr Sawford—You have no shame, Christopher.
Mr PYNE—That is a reasonable question to ask, given the fact that, if you made a donation to the defence fund expecting it to pay for legal fees because you were being told by senior ministers that there was potential for the member for Fremantle to be bankrupted, you would be right in asking, ‘Have I been done out of my money?’ That is the only question we are asking. Have they been done out of their money? If the Labor Party expected the Commonwealth to pay, why were Gary Gray and the former Ministers Evans and Beazley promoting the idea that former Minister Lawrence was facing bankruptcy? Why did former Minister Beazley whip up hysteria about Carmen Lawrence’s alleged potential bankruptcy when, as a cabinet minister, he was part of the decision making process that had committed the Commonwealth to pay the debt?

Has any money been drawn from the Carmen Lawrence Defence Fund? If so, if it is has not been drawn for the purpose of the payment of legal fees, what other purpose could funds be directed to? Are the donors to the fund aware that these funds have not been applied to date for Carmen Lawrence’s legal fees? Was the Carmen Lawrence Defence Fund a pre-election ruse designed to deflect attention from the issue of her veracity and to create sympathy for her? The public and the donors to the Carmen Lawrence Defence Fund may well ask why the proceeds have not been used for the purposes for which they were collected. They may also care to ask about interest earned on the fund and whether administration charges have been made. It would also be expected that, if indeed any payment has been made from the Carmen Lawrence Defence Fund, then that payment should appear on the Register of Members’ Interests.

Mr Somlyay—Hear, hear!

Mr PYNE—Indeed. We will be looking very much to determine whether the member for Fremantle records on the Register of Members’ Interests the payment of her legal fees which, of course, are very much a diminution of a potential personal liability to herself. If you were one of the people duped into giving money to the Carmen Lawrence Defence Fund, wouldn’t you want to know whether that money was spent on her legal fees? I am sure if the member for Port Adelaide had given money to the Carmen Lawrence Defence Fund he would want to know if it was being used for her legal fees—or were you duped too? I hope you were not duped, the member for Port Adelaide.

Mr DEPUTY SPEAKER—Order! You will address your remarks through the chair and ignore the interventions of the member for Port Adelaide.

Mr PYNE—The Leader of the Opposition, the member for Fremantle and Gary Gray owe it to those people to tell them whether it is going to pay for the member for Fremantle’s legal fees or whether it will go to 100,000 of direct mail from Curtin House at the next election—probably not in the member for Port Adelaide’s electorate.

Mr Sawford—It may be in the member for Sturt’s electorate.

Mr PYNE—It may well be; indeed it may well be. The fact is that the Carmen Lawrence Defence Fund was established to pay that part of the member for Fremantle’s legal fees that parliament refused to pay and the funds should be used for that purpose. If it is not to be used for that purpose, the public and the parliament have a right to know for what purpose it will be used in the future. There is no doubt that it would be in the best interests of Australian taxpayers that the Carmen Lawrence Defence Fund be exhausted before the taxpayers are called upon to foot Carmen Lawrence’s legal fees. If such a contribution were made, then it would partly offset the appropriation the parliament is now required to make. If this does not occur, it will be another example of Labor protecting its own interests and thumbing its nose at ordinary taxpayers.

In conclusion, may I say that none of my speech or my coverage of this issue has gone to any personal remarks with respect to Carmen Lawrence or her veracity. I was pleased, for her
sake, that she was found to be innocent of any crimes by the courts in Western Australia. That is another matter altogether. The crux of this issue is whether the funds collected because she was supposed to be potentially facing bankruptcy, should be used for the purpose for which they were collected. I make no comment as to her veracity or otherwise. I reluctantly commend the bill to the House.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.14 a.m.)—As honourable members would be aware, on 25 February this year the Federal Court of Australia ordered that the Commonwealth pay legal costs, damages and interest to the date of judgment. The Federal Court held that the Commonwealth was legally liable to pay damages for breach of contract which arose following the Commonwealth’s initial refusal to pay the legal costs incurred by the honourable member for Fremantle in relation to the Marks royal commission and her court challenges to that commission. The subject matter of the commission arose prior to the member for Fremantle’s election to the federal parliament.

The Appropriation (Dr Carmen Lawrence’s Legal Costs) Bill 1999-2000 seeks to appropriate moneys from the consolidated revenue fund to meet these liabilities. The amount to be appropriated is not specified due to the nature of the judgment. Similarly, the amount of the post judgment interest cannot be quantified until the judgment debt is paid. The purpose for which the money can be appropriated under the bill is however limited to amounts resulting directly from that judgment. Accordingly, the appropriation is not discretionary. Moneys appropriated under this bill are additional to the appropriations made in other appropriation acts in 1999-2000. In summing up, I would like to echo the words of my colleague the Minister for Finance and Administration. In his second reading speech on this bill, he stated:

... 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 taxpayer, of course, will end up picking up the tab. Reading the judgment of the Federal Court, the clear impression is that the Commonwealth was contractually bound by a political compact organised by the offices of the member for Fremantle and 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.

Mr Deputy Speaker Nehl, you would understand that this unfortunate and bizarre arrangement has necessitated the introduction of this bill which burdens Australian taxpayers, the mums and dads of Australia, to the tune of at least three-quarters of a million dollars. It gives me no pleasure to commend this particular bill to the House. I also note that the Commonwealth Attorney-General has rightly asked the Carmen Lawrence Defence Fund to contribute towards the member for Fremantle’s legal expenses. This has not occurred. If such a contribution had been made, this appropriation would not have been needed to be as great as it is and taxpayers’ money would have been saved. The Australian Labor Party has been asked to contribute towards the cost of these expenses, and a contribution from that party would also seem to be more than appropriate. Such a contribution would further offset the appropriation provided for in this bill. It is, however, my regrettable duty to commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.
Mr STEPHEN SMITH (Perth) (10.18 a.m.)—I will not delay consideration of the Appropriation (Dr Carmen Lawrence’s Legal Costs) Bill 1999-2000 for too long. I must say I was inveigled into this debate by the member for Sturt, Mr Pyne, who frankly made some outrageous comments. Let us clearly understand and let me put on the record the very clear history of this matter. This whole matter started when the Western Australian Liberal Premier, Richard Court, in a politically motivated way, established a royal commission with one objective—a political witch-hunt. So if you are worried about the expenditure of taxpayers’ funds, ask yourself the question: how many millions of dollars did Richard Court waste in pursuing a member of the Commonwealth parliament by way of a political witch-hunt? When we saw the results of that politically inspired royal commission jacked up by Richard Court in cahoots with his federal Liberal colleagues—and that is also on the record—what did a District Court jury in Western Australia do when it came for a fair, impartial, objective consideration of these matters? They threw out every charge in less than 45 minutes. It took them about three minutes per charge to throw it out unanimously.

Mr Pyne interjecting—

Mr STEPHEN SMITH—I understand, Mr Deputy Speaker, that the member for Sturt was heard in silence. He might want to have more respect for the procedures, practices and demeanour of this place than he has had for the procedures which have seen this bill come to light.

Mr Pyne—I was not heard in silence.

Mr STEPHEN SMITH—A District Court jury in Western Australia threw out these matters after about three minutes consideration per charge. Millions of dollars were wasted by Richard Court in the course of a jacked up, trumped up, political witch-hunt which a jury of Western Australians threw out. Someone might like to ask Richard Court, Daryl Williams and the rest of his federal Liberal colleagues, how much money Richard Court wasted which could have been spent on Western Australian schools and hospitals. How much money did he waste?

I remind people of a point that I previously made in this parliament. In the course of that trial, counsel for Dr Lawrence made a submission which made it crystal clear that the royal commissioner and counsel assisting the royal commission had ordered the destruction of documents which could only have had the effect of prejudicing Dr Lawrence’s fair trial. And when we come to this bill, when the Attorney-General stands in the other place, as he occasionally does, I simply interject by saying to him, ‘Daryl, why don’t you appeal?’ If the Attorney-General had any basis for proceeding other than the way in which he has, then he might want to appeal against the decision of the Federal Court.

When people stand in this place and talk about the expenditure of taxpayers’ funds, they can ask themselves this question: how many millions of dollars did a Liberal state government waste in a trumped up, jacked up, political witch-hunt? How many millions of dollars did they waste which could have been spent on Western Australian schools and hospitals, improving facilities and services for people in Western Australia? How many millions of dollars were wasted in a District Court trial which was thrown out and where submissions were made during that case that counsel assisting, Miss Vanstone QC, and the royal commissioner had ordered the destruction of documents which could only have the effect of prejudicing Dr Lawrence’s fair trial? Contemplate that when you stand up and talk about the waste of funds. When this matter came to its final conclusion, a District Court jury unanimously, and in less than an hour’s consideration, threw out the proceeds of a politically inspired witch-hunt jacked up by Liberal state—

Mr Pyne—Mr Deputy Speaker, I rise on a point of order: judges should be protected from being maligned in the chamber. Anne Vanstone is now a judge in the District Court in South
Australia. I ask the member to withdraw any imputation of her motives as it defames a member of the judiciary.

**Mr DEPUTY SPEAKER**—The reference being made to the person named was before that individual became a judge and any criticisms are directed to that person in their previous existence. I do not believe there is a point of order. I call the honourable member for Perth.

**Mr STEPHEN SMITH**—Not on the point of order, Mr Deputy Speaker, but to ensure that the member for Sturt clearly understands that the royal commissioner in that matter was a retired judge.

**Mr Pyne**—I am talking about Anne Vanstone.

**Mr STEPHEN SMITH**—So am I. I am also talking about Anne Vanstone. Submissions were made in that case which made it crystal clear that counsel assisting, Vanstone QC, together with a retired judge who was the royal commissioner, ordered the destruction of documents which could only have the effect of prejudicing Dr Lawrence’s fair trial. The problem is that it did not work because a Western Australian jury threw it out within 45 minutes. *(Time expired)*

**Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.24 a.m.)**—I will be quite brief. The member for Perth mounted a spirited defence of the honourable member for Fremantle, but he was fighting a West Australian battle here in the Commonwealth parliament. My expression of regret that the parliament is being asked to reimburse these funds related to the fact that the Keating Labor government did a deal with one of its members in relation to conduct prior to that member becoming a member of the federal parliament.

My argument is that this matter did not, in any way, shape or form, relate to the Commonwealth. It predated the member for Fremantle’s involvement in the Commonwealth parliament. It was a sleazy deal by the Labor Party and the cabinet at that time to agree to pay what were essentially personal legal expenses in relation to circumstances which arose prior to the member for Fremantle being elected as a member of the Commonwealth parliament. Also, in my summing-up speech, I drew the attention of the chamber to the Carmen Lawrence Defence Fund and the fact that people had contributed money with a view to assisting the member for Fremantle in her defence. The government, quite reasonably, has asked both the member for Fremantle and the Australian Labor Party to contribute to the moneys which will be paid pursuant to this appropriation, if indeed this appropriation is carried by the federal parliament.

The purpose of the Appropriation (Dr Carmen Lawrence's Legal Costs) Bill is to implement a judgment of the Federal Court. That judgment flowed from a decision made by the former Keating Labor government to effectively reimburse the legal expenses of a member of that government in relation to circumstances prior to that member of the government even becoming involved in the Commonwealth parliament. In that sense, it was a most strange and bizarre arrangement. This government objected to that. The Federal Court has made a decision and the purpose of the bill which is before the House is to implement and give effect to that decision which we greatly regret.

**Mr STEPHEN SMITH (Perth) (10.26 a.m.)**—I refer very briefly to the points made by the Parliamentary Secretary to the Minister for Finance and Administration, in reverse order. Firstly, if the government and the Attorney-General had any difficulty with the decision of the Federal Court, then they ought to have appealed. They did not appeal. They came to this parliament with an appropriation bill because they know there is no appeal from the Federal Court decision because that Federal Court decision was right. That is the point. If there was a difficulty with this appropriation, the Attorney-General had a course of action open to him.
That course of action was to appeal. He did not appeal because he knew the appeal would be lost.

Secondly, in reverse order of the points that the parliamentary secretary made, he said, ‘What is the Commonwealth connection here? The member for Perth has said that these are Western Australian matters; what is the Commonwealth connection here?’ The Commonwealth connection is this: a Liberal state premier conspired with his federal colleagues to tear down and do damage to a federal minister and a federal member of this place. That is the connection. That is the Commonwealth connection. A Liberal state premier conspired with his federal colleagues to do his utmost with a politically inspired royal commission to tear down a member of this place. Mr Deputy Speaker, the ultimate verdict on this matter is said to you in two things. Firstly, a Western Australian District Court threw out trumped up political charges in less than 45 minutes. Secondly, this bill is here because the government and the Attorney-General know that the Federal Court has told them what is the only appropriate and correct thing to do.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.28 a.m.)—In the interests of brevity, I want to say, on behalf of the government, that we completely, totally and absolutely reject the allegations just made by the honourable member for Perth.

Mr ALBANESE (Grayndler) (10.28 a.m.)—I rise to put on the record my disgust at the actions of the government on this issue. My colleague the member for Perth has very adequately outlined exactly how inappropriate the government’s actions have been on the whole Carmen Lawrence issue.

With regard to where and why this appropriation is necessary, a few points need to be made. The appropriation is necessary because the Federal Court has made that decision. As my colleague the member for Perth has said, if there is any doubt on the part of the Attorney-General as to the appropriateness of that decision, the appropriate thing for him to do is to appeal that decision. He is not doing so because he knows that that would also be thrown out and would just increase the costs involved in this case. When it comes to talk of taxpayers’ money, the fact is that $7 million has been wasted by the Premier of Western Australia on a political vendetta against a very effective, competent former Premier of Western Australia and minister of the Commonwealth parliament. That is what this was about: tearing down a politician who is a colleague of mine, and one for whom I have great respect.

The political vendetta against Dr Lawrence—because of her competence, because she was a good premier and a good minister—is highlighted by the way this bill is being dealt with today. The fact is that the Treasurer could have had funds at his disposal to deal with appropriations of this sort. There was no need to have a bill titled Appropriation (Dr Carmen Lawrence’s Legal Costs) Bill 1999-2000. That emphasises exactly what this vendetta is all about. The real say was in the District Court of Western Australia where the jury unanimously threw out all charges against her in 45 minutes. That showed just what a farcical situation this is.

I have the utmost respect for Dr Carmen Lawrence, and if people think that anyone on this side of the House is about to run away from that respect and that friendship, then they are very wrong. We know what this is about. It is about the fact that you people over there have a ‘born to rule’ mentality and cannot cope with the fact that competent Labor ministers and premiers just get on with the job.
Mr PYNE (Sturt) (10.32 a.m.)—I want very quickly to make it clear what the Appropriation (Dr Carmen Lawrence’s Legal Costs) Bill 1999-2000 is about. The bill is not about the Marks royal commission, it is not about the veracity of Carmen Lawrence and it is not about witch-hunts or dubious deals. I support the parliamentary secretary in his total repudiation of the allegation made against the former leaders of the Liberal Party that they were in any way in cahoots with Richard Court. My points have been all about the fact that there is $100,000 in the Carmen Lawrence Defence Fund. That money was raised for the purpose of legal fees under the illusion that there was a possibility that Carmen Lawrence would be made bankrupt and that, in that event, that money should be used to reduce by $100,000 the liability of taxpayers for legal fees. That is what I have said all along. Everything else beyond that, which has been raised by the Member for Perth and the Member for Grayndler, is quite extraneous to the issues before the House today. I am disappointed that they have chosen to attack the coalition for no good reason.

Bill be agreed to.

Ordered that the bill be reported to the House without amendment.

Main Committee adjourned at 10.33 a.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Private Health Insurance: Media Campaign Costs
(Question No. 1210)

Mr Leo McLeay asked the Minister for Health and Aged Care, upon notice, on 6 March 2000:
(1) What is the estimated total cost of the Government’s media campaign on private health insurance and what is the breakdown of those costs.
(2) In relation to the campaign, what is the breakdown of expenditure between the various types of media, including television, radio and print.

Dr Wooldridge—The answer to the honourable member’s question is as follows:
(1) The media campaign that the Government is conducting is to inform the public about Lifetime Health Cover. The estimated total cost of the Government’s media campaign on Lifetime Health Cover is $15.95m.

The approximate breakdown of this cost is:
- Advertising (including production and agency fees) $11.20m
- Public Relations $  4.10m
- Research $  0.34m
- Administration $  0.31m

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Total $15.95m

(2) Of the $11.2m advertising budget, approximately $9.9m is allocated for the purchase of media space as per the following approximate breakdown:
- Television $5.6m
- Print $3.8m
- Outdoor advertising $0.5m
- Radio $0.0m

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Total $9.9m

Goods and Services Tax: Caravan Parks
(Question No. 1248)

Ms Hall asked the Minister for Community Services, upon notice, on 13 March 2000:
Will the Government’s decision to allow the GST to be imposed on the rent paid by permanent residents living in residential and relocatable home parks cause significant hardship to those persons; if so, (a) why are those residents being treated differently to other Australians who pay residential rentals and (b) will the Government compensate residential park residents to place them in the same position as other residential renters.

Mr Anthony—The answer to the honourable member’s question is as follows:
No. Permanent residents living in residential and relocatable home parks will not be worse off, under the GST.

The Government is giving owners and operators of caravan parks a choice between two options. The first option is to allow them to use the same treatment as applies to residential accommodation generally, that is input taxation of the rentals. The second option is to apply a concessional form of GST. Owners will choose the taxation treatment that serves them and their residents best. Under either option, the net impact will be similar to that for private rental accommodation.

The Government is providing a generous compensation package including:
- increasing the maximum rate of Rent Assistance by 7 per cent to compensate people on low incomes for rises in rental costs;
increasing pensions and allowances by 4 per to compensate low income people for other expected
price increases; and
providing low income families with very generous tax cuts and increases in family benefits that will
also benefit many residents of long term commercial accommodation.

Aged Care: Indigenous Australians
(Question No. 9999)

Ms Jann McFarlane asked the Minister for Aged Care, upon notice, on 6 March 2000:

Is it not a fact that the Productivity Commission has noticed that people from Aboriginal and Torres
Strait Islander backgrounds are significantly under-represented in nursing homes? Can you confirm that
while making up 2.3 percent of a target population for nursing home care only 0.8 percent of people from
Aboriginal and Torres Strait Islander backgrounds are in nursing homes? Do these figures not represent the
discrepancy between this government’s policy on indigenous issues - you are happy to have Aboriginal
and Torres Strait Islanders over-represented in our prisons, but you do nothing to ensure they have equal
access to our nursing homes.

Mrs Bronwyn Bishop—The answer to the honourable member’s question is as follows:

The Productivity Commission Report stated that factors such as cultural difference may influence the
extent to which various special needs groups use residential care, and should be considered when
interpreting statistics.

It is the Government’s objective to ensure equitable access to aged care services for both indigenous
and non-indigenous Australians.

Indigenous Australians generally prefer to stay in the community and be cared for by members in
their community. Community aged care packages have therefore been found to be more culturally
appropriate in meeting the needs of this group.

The Government has actively targeted community care packages to Aboriginal and Torres Strait
Islander communities.

In recognition of the fact that disability and ageing affect the indigenous community at an earlier
age, the Government considers statistics on indigenous people aged 50 and over when planning the
distribution of aged care places, as compared to 70 for non-Indigenous aged Australians. Thus
Indigenous aged Australians make up 2.3% of the target.

The success of this strategy is shown by the fact that 3.0% of community care packages funded by
the Department in 1998-99 were provided to Indigenous Australians.

The Government also currently funds 21 aged care services which provide flexible aged care
specifically for Aboriginal and Torres Strait Islander communities plus approximately 40 mainstream
residential aged care facilities which are either auspiced by Aboriginal communities or primarily target
Aboriginal and Torres Strait Islander communities. These are in addition to the specific Multipurpose
Services for Indigenous Australians.

These statistics are the position as at June 1999.